Agriculture and Agri-Food Canada

2014–15

Departmental Performance Report

The Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

2014–15 Departmental Performance Report

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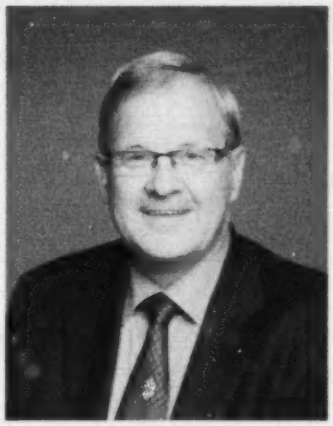


I'm pleased to present Agriculture and Agri-Food Canada's Departmental Performance Report to Parliament and Canadians.

Agriculture is one of Canada's most dynamic economic sectors. Our country is recognized globally for its high-quality, diverse and innovative agriculture and food products. Canada's farmers and food processors are the foundation of our food sector. Fuelled by ingenuity, the Canadian agriculture industry from gate to plate not only feeds Canadians and the world, but is also a key economic driver, generating one in eight jobs, over $50 billion in trade, and over $100 billion of our Gross Domestic Product.

As Canada's Minister of Agriculture and Agri-Food, my mandate is to support the Canadian agriculture and food sector so it can be a leader in job creation and innovation. To help the sector be more innovative, safer and stronger, the Government will partner with the agriculture and food sector in its vital work by supporting it in critical competitive areas including exports, value-added processing, research and innovation, business risk management, grain transportation, and environment and climate change.

At the same time, I am reaching out to our industry, and provincial and territorial partners to position the sector for greater growth as we take stock of our successes to date, and look to build on them as we develop the next multi-year agricultural policy framework.

I also look forward to hearing the perspectives of Canadians on issues that have a profound impact on our economy and our communities, from science and innovation, to trade and transportation.

The key to success will be fostering a productive and collaborative relationship with all of our partners, including farmers, processors, provinces and territories and all Canadians to build an even greater Canadian agricultural sector.

It truly is an exciting time to be working in an industry which has such a bright future. Our farmers and food processors are the best in the world, and global demand for their products is

growing. I look forward to working together to keep Canada's agricultural sector innovative, prosperous, and strong, and deliver real results for Canadians.

Honourable Lawrence MacAulay,
Privy Councillor, Member of Parliament,
Minister of Agriculture and Agri-Food

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable Lawrence MacAulay
The Honourable Gerry Ritz (responsible Minister for 2014–15)

Institutional Head: Andrea Lyon, Deputy Minister

Ministerial Portfolio: Agriculture and Agri-Food Canada

Enabling Instrument: *Department of Agriculture and Agri-Food Act* (R.S.C. 1985, c. A-9)[i]

Year of Incorporation / Commencement: 1994

Organizational Context

Raison d'être

The Department of Agriculture and Agri-Food was created in 1868 – one year after Confederation – because of the importance of agriculture to the economic, social and cultural development of Canada. Today, the Department helps create the conditions for the long-term profitability, sustainability and adaptability of the Canadian agricultural sector. Agriculture and Agri-Food Canada supports the sector through initiatives that promote innovation and competitiveness, and that proactively manage risk. The Department's goal is to position agriculture, agri-food and agri-based product industries to realize their full potential by seizing new opportunities in the growing domestic and global marketplace.

Our Vision

Driving innovation and ingenuity to build a world leading agricultural and food economy for the benefit of all Canadians.

Our Mission

Agriculture and Agri-Food Canada provides leadership in the growth and development of a competitive, innovative and sustainable Canadian agriculture and agri-food sector.

Responsibilities

Agriculture and Agri-Food Canada provides information, research and technology, and policies and programs to help Canada's agriculture, agri-food and agri-based products sector compete in markets at home and abroad, manage risk and embrace innovation. The activities of the Department extend from the farmer to the consumer, from the farm to global markets, through all phases of sustainably producing, processing and marketing of agriculture and agri-food products. In this regard, and in recognition that agriculture is a shared jurisdiction, Agriculture and Agri-Food Canada works closely with provincial and territorial governments.

Agriculture and Agri-Food Canada's mandate is based upon the *Department of Agriculture and Agri-Food Act*. The Minister is also responsible for the administration of several other acts and regulations[ii], such as the *Canadian Agricultural Loans Act*[iii].

The Department is responsible for ensuring collaboration among the organizations within the Agriculture and Agri-Food Portfolio; this means coherent policy and program development and effective cooperation in meeting challenges on cross-portfolio issues.

The portfolio partners and agencies[iv] consist of:

- Canadian Dairy Commission;
- Canadian Grain Commission;

- Farm Credit Canada;
- Canada Agricultural Review Tribunal; and
- Farm Products Council of Canada.

Agriculture and Agri-Food Canada also includes the Canadian Pari-Mutuel Agency[v], a special operating agency that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada.

Although the Canadian Food Inspection Agency is no longer part of the Agriculture and Agri-Food Portfolio as the Agency now reports to the Minister of Health, the Minister of Agriculture and Agri-Food continues to be responsible for the Canadian Food Inspection Agency's non-food safety activities, including economic and trade issues, consumer protection, as well as important animal health and plant protection work.

Strategic Outcomes and Program Alignment Architecture

1 Strategic Outcome: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

1.1 Program: Business Risk Management

1.1.1 Sub-Program: AgriStability
1.1.2 Sub-Program: AgriInvest
1.1.3 Sub-Program: AgriRecovery
1.1.4 Sub-Program: AgriInsurance
1.1.5 Sub-Program: AgriRisk
1.1.6 Sub-Program: *Agricultural Marketing Programs Act*
1.1.7 Sub-Program: *Canadian Agricultural Loans Act*

1.2 Program: Market Access, Negotiations, Sector Competitiveness, and Assurance Systems

1.2.1 Sub-Program: Trade and Market Expansion
1.2.2 Sub-Program: Sector Engagement and Development
1.2.3 Sub-Program: Market Development
1.2.4 Sub-Program: Assurance Systems
1.2.5 Sub-Program: Federal-Provincial-Territorial Cost-shared Market Development and Competitiveness
1.2.6 Sub-Program: Pest Management: Pesticides Minor Use Program
1.2.7 Sub-Program: Pest Management: Pesticides Risk Reduction Program
1.2.8 Sub-Program: Canadian Wheat Board Transition Costs Program
1.2.9 Sub-Program: Canadian Cattlemen's Association Legacy
1.2.10 Sub-Program: Control of Diseases in the Hog Industry – Phase 2

1.3 Program: Farm Products Council of Canada

2 Strategic Outcome: An innovative and sustainable agriculture, agri-food and agri-based products sector

2.1 Program: Science, Innovation, Adoption, and Sustainability

2.1.1 Sub-Program: Science Supporting an Innovative and Sustainable Sector
2.1.2 Sub-Program: Research Accelerating Innovation
2.1.3 Sub-Program: Research, Development and Knowledge Transfer
2.1.4 Sub-Program: Enabling Commercialization and Adoption
2.1.5 Sub-Program: Federal-Provincial-Territorial Cost-shared Research, Adoption and Commercialization
2.1.6 Sub-Program: Federal-Provincial-Territorial Cost-shared Environment
2.1.7 Sub-Program: Agricultural Greenhouse Gases

2.2 Program: Industry Capacity

2.2.1 Sub-Program: Farm Debt Mediation Service
2.2.2 Sub-Program: Fostering Business Development
2.2.3 Sub-Program: Federal-Provincial-Territorial Cost-shared Adaptability and Industry Capacity
2.2.4 Sub-Program: Community Pastures
2.2.5 Sub-Program: Water Infrastructure
2.2.6 Sub-Program: Churchill Port Utilisation Program
2.2.7 Sub-Program: Canadian Agricultural Adaptation Program

2.3 Program: Canadian Pari-Mutuel Agency

3.1 Internal Services

Organizational Priorities

Priority	Type	Strategic Outcomes
Support and improve the competitiveness and adaptability of the agriculture, agri-food and agri-based products sector	Ongoing (As defined by Treasury Board of Canada Secretariat, committed to at least three fiscal years prior to the subject year of the report)	Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector

Summary of Progress
What progress has been made toward this priority? • The Department worked with Transport Canada, the Canadian Grain Commission, the Canadian Transportation Agency, and central agencies to implement regulations related to the *Fair Rail for Grain Farmers Act*[vi], by August 1, 2014 to improve supply chain accountability, performance and transparency. The Government also maintained Orders in Council setting out minimum volumes of grain that Canadian National Railway and Canadian Pacific Railway were each required to move between March 7, 2014 and March 28, 2015. The minimum volume requirements were effective in getting the Western Canada crop to market and reducing the carry-forward stock to normal levels.

The Department also worked to help establish the Crop Logistics Working Group[vii], a forum for industry to discuss supply-chain challenges and identify ways to improve the crop logistics system over the short-, medium- and long-term.

- The Insurance Review by federal, provincial and territorial governments was completed and the Western Livestock Insurance Program pilot was successfully launched in 2014; this is an innovative program that allows cattle and hog producers to manage price risk.
- The Department continued to work with the Canadian Food Inspection Agency[viii] towards full implementation of the Compliance Promotion Strategy to help the agri-food sector adapt to a new food-safety oversight regime.
- There was ongoing progress on initiatives contained in the Department's Regulatory Reform Action Plan, including: support to implement the new plan of the Canada-United States Regulatory Cooperation Council; implementation of elements of Red Tape Reduction Action Plan; and support to the Agency for regulatory modernization initiatives.
- The Department supported and worked with portfolio partners to advance regulatory development initiatives to benefit the sector.
- The Department continued to support and improve the competitiveness and adaptability of the agriculture, agri-food and agri-based products sector through the Pesticides Minor Use Program[ix] with 63 regulatory submissions to Health Canada's Pest Management Regulatory Agency. This improves sector competitiveness by providing tools to farmers to protect crops from pests, diseases and weeds. Furthermore, the Department continued to work with its partners in Canada and the United States to harmonize and streamline protocols and procedures for improved data collection and sharing and synchronized regulatory submissions in both countries, thereby leveling the playing field for Canadian farmers.

Priority	Type	Strategic Outcomes
Maintain and improve access to key international markets	Ongoing	Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- In collaboration with the Department of Foreign Affairs, Trade and Development and the Canadian Food Inspection Agency[viii], the Department worked to help re-open markets to Canadian beef and beef products, and maintain and expand international markets for the Canadian agriculture and agri-food sector.
- The Department led the agricultural component of free trade negotiations resulting in the conclusion of negotiations on the Comprehensive Economic and Trade Agreement with the European Union. It was also engaged in the Canada-Korea and Canada-Honduras Free Trade Agreements that have come into force, and contributed to advance negotiations on the Trans-Pacific Partnership and the Comprehensive Economic Partnership Agreement with India.
- Through interdepartmental consultations, the Department helped achieve progress on a domestic policy for managing low-level presence of genetically modified crops. In addition, it supported an international approach to this issue through the Global Low-Level Presence initiative.

Priority	Type	Strategic Outcomes
Generate new knowledge, foster innovation and increase adoption and commercialization of agricultural, agri-food and agri-based products, processes or practices	Ongoing	Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- Knowledge creation and transfer enable innovation, which in turn enhances economic growth and sustainability of the Canadian agriculture, agri-food and agri-based products sector. During 2014–15, the Department generated new knowledge, fostered innovation and increased adoption and commercialization of products, processes or practices by continuing to:
  - Implement a Science and Technology Branch Sector Science Strategy[x] for its science and technology activities to guide investment in this area. This direction focuses on four cross-cutting strategic objectives representing the major scientific challenges facing the sector in the 21st century: increasing agricultural productivity; enhancing environmental performance; improving attributes for food and non-food uses; and addressing threats to the value chain.
  - Align science projects with this Science and Technology Branch Sector Science Strategy to advance scientific knowledge and foster innovation to support a resilient sector that can address current and emerging challenges.
  - Support industry-led research under the *Growing Forward 2*[xi] AgriInnovation program[xii], focusing on knowledge creation and transfer, research partnerships with industry, and private-sector investment in Canadian research and development.
  - Collaborate with regulatory partners by leveraging the Department's scientific expertise. For example, departmental researchers collaborated with the Canadian Food Inspection Agency[viii] on a variety of food-safety projects, as well as food allergy research, in support of the Agency's modernization agenda. These projects and research help maintain a modern regulatory environment that encourages and supports innovation by providing the scientific and technical assessments of risk.

Priority	Type	Strategic Outcomes
Continue to improve program and service delivery to respond to client expectations	Ongoing	Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- Consistent with the broader Government of Canada direction to streamline and simplify client access to programs and services, Agriculture and Agri-Food Canada improved its electronic delivery and management of non-business risk management grant and contribution programs. Specifically, the Department made it easier for prospective clients to apply online to departmental programs and expanded electronic delivery to include applications for additional programs. AgPal[xiii], a web-based discovery tool which is designed to help Canadian farmers and agri-businesses find agriculture-related programs and services, was enhanced with the addition of a new progressive filter that assists clients to discover programs and services specific to their

interests.

- Assessment and claims processing were improved to eliminate duplication and non-essential activities, resulting in measurable efficiencies; application assessments are faster and more claims are processed in less time. While this work is ongoing, it has already improved Agriculture and Agri-Food Canada's ability to meet its client service standard targets. The Department has also expanded its use of *Lean* methodology, a process review exercise, and client feedback measurement tools to improve program design and service.
- Organizational and client efficiency was enhanced through on-line services. Examples include: an additional 2700 AgriStability[xiv] participants signed up for the direct deposits ahead of the April 2016 Government of Canada deadline; an electronic fee payment option for AgriStability participants was launched; and a continuous filing feature for AgriInvest[xv] clients was introduced that allows earlier access to program benefits.
- The Department strengthened its culture of service excellence by internally promoting its new Service Pledge and by providing Service Excellence training to staff.
- Legislative amendments were introduced to the *Agricultural Marketing Programs Act*[xvi] through the *Agricultural Growth Act*[xvii] to improve the federal Advance Payments Program[xviii] and the *Farm Debt Mediation Act*[xix]. These changes will: reduce the paper burden on producers; increase producer accessibility to the Advance Payments Program and improve program flexibility; and better align the *Agricultural Marketing Programs Act* and *Farm Debt Mediation Act* to make the farm debt mediation process easier on producers. Royal Assent for the amendments was obtained in February 2015. A majority of the changes was brought into force shortly after and implemented for the 2015 Advance Payments Program beginning April 1, 2014. The remaining changes will be brought into force for the 2016 program year.

Priority	Type	Strategic Outcomes
Support and engage workforce to meet current and future work objectives and opportunities	Ongoing	Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector

Summary of Progress

What progress has been made toward this priority?

- The Department continued to build on a strong foundation of performance and talent management. It harnessed employee engagement coming out of the Blueprint 2020 initiative to further enhance a culture where leadership is visible and expected at all levels, and where there is commitment to ongoing improvement, innovation and collaboration throughout the organization. In addition, the Department continued to actively support its employees impacted by workforce adjustment.

Risk Analysis

Key Risks and Opportunities

2014–15 Corporate Risks and Opportunities and Link to Program Alignment Architecture	Key Response Strategies	Achievements
Trade Opportunity: Strengthen and enhance trade relationships and work with partners to assist industry in capitalizing on trade opportunities. Strategic Outcome 1 – A competitive sector Programs: Business Risk Management; Market Access, Negotiations, Sector Competitiveness, and Assurance Systems	Continued implementation and monitoring of market access activities. Collaboration with provincial and territorial governments and with industry to share market intelligence and discuss trade-related issues in order to re-open, maintain and expand markets for Canadian agricultural products.	In 2014–15, the Department supported the Government of Canada trade agenda which saw the successful conclusion of negotiations on the Comprehensive Economic and Trade Agreement with the European Union and progress on other major trade agreements, including the Trans-Pacific Partnership. The Department helped address trade-related issues, including the non-tariff barriers associated with maximum residue limits and low-level presence of genetically modified organisms. Working with the Department of Foreign Affairs, Trade and Development and the Canadian Food Inspection Agency, the Department coordinated the ongoing prioritization of market access issues and activities. This allowed for immediate responses to major events such as the Russian trade embargo, and the closure of markets following the discovery of bovine spongiform encephalopathy, as well as two outbreaks of avian influenza – one in Ontario and one in British Columbia.
Catastrophic Crisis Risk: Agriculture and Agri-Food Canada's capacity to respond to catastrophic crises, including those related to natural and accidental hazards (for example, animal health, weather, *et cetera*) may have consequences for the agriculture, agri-based	Continued input, as required, into: Emergency Management and Governance Procedures; Industry Emergency Preparedness Activities (for example, flood); Preparation for Animal Disease outbreaks (such as, Livestock Market Interruption Strategy); and Emergency Preparedness	Federal, provincial and territorial ministers endorsed a plan to work with the Canadian Food Inspection Agency and provincial and territorial governments to develop a Strategic Emergency Management Framework for agriculture.

and agri-food sector and/or to Canadians. Strategic Outcome 1– A competitive sector Strategic Outcome 2 – An innovative sector All programs	Activities in support of the agriculture and agri-food sector.	The Department continued to work with the Canadian Food Inspection Agency, provinces and industry to develop the Livestock Market Interruption Strategy – a strategy that will assist partners in managing the production and marketing implications of a large-scale market interruption. The Department continued to contribute to activities led by Public Safety Canada to enhance capacity to manage a catastrophic crisis. Agriculture and Agri-Food Canada regularly participated in several committees including the Directors-General Emergency Response Committee, Federal Exercise Working Group and the Interdepartmental Logistics Networking Group. In May 2014, Agriculture and Agri-Food Canada participated in the *Unified Response*, led by Public Safety Canada, which was a full-scale nuclear response exercise testing roles and responsibilities, as well as communications protocols.
Infrastructure: Risk: Increasing maintenance and rehabilitation costs may affect the Department's ability to maintain its infrastructure and assets at an adequate level; and limit the capacity to invest in support of emerging priorities. Strategic Outcome 1 – A competitive sector Strategic Outcome 2 – An innovative sector All programs	Continued oversight of the Department's infrastructure through its Investment Plan to support ongoing operations and priorities. Ongoing rejuvenation of a dam safety management system.	As part of its Investment Plan process, infrastructure projects were ranked locally then reviewed and prioritized first by Quality Assessment Teams and finally by the National Ranking Team. Reports on annual building inspections helped with priority investment decisions. The Department continued to successfully manage its infrastructure, including dam safety and rejuvenation.

The agriculture and agri-food sector in Canada is subject to a wide variety of risks that can impact its economic viability. Many of these are caused by external factors that producers have

little to no ability to influence. The key risk factors that broadly impact primary agriculture include global agricultural markets, barriers to market access, availability of transportation infrastructure, volatility in macroeconomic conditions, cost of inputs, and weather risk. The food-processing industry is also a key component of the agriculture and agri-food system with key risk factors being the maintenance of processing capacity in Canada given aging plants, high input costs, lack of available labour, impediments to innovation adoption and market access.

As Canada is a major exporter of many agricultural commodities, prices are determined in the global market place. Production in other countries, in particular the United States, can have a significant impact on world prices of commodities and influences prices that Canadian producers receive. Agricultural crop prices declined significantly from the peaks induced by the 2012 drought in the United States, as relatively large crops in 2013 and 2014 put downward pressure on global prices. By contrast, livestock prices have increased due to a long term decline in North American cattle herd as well as the outbreak of the porcine epidemic diarrhea virus in the United States hog sector. These higher livestock prices combined with lower feed prices improved the returns to the cattle and hog sectors from the situation observed in 2012.

Because of the export-oriented nature of the sector, barriers to market access can cause significant disruptions to affected sectors. For example, the long running dispute related to Country-of-Origin Labeling requirements in the United States continues to negatively impact Canadian livestock producers.

Grain transportation from country elevators to domestic and export customers is an ongoing concern for Western Canadian crop producers and shippers. The combination of the record crop in 2013 and the unusually cold winter that followed the harvest resulted in significant delays in moving grain to port, which decreased opportunities for producers to deliver grain to elevators and depressed prices at country elevators. While those pressures have since decreased, issues related to grain transportation and movement will continue to be a risk factor for the Western Canadian crop sector.

Global macroeconomic conditions impact the sector on both the demand and the supply side. Although China, Russia and Brazil have grown rapidly in the last decade (2004–2014), with gross domestic product growth averaging 10%, 3.8% and 3.6% respectively, their future growth paths are less optimistic in the short term. According to the International Monetary Fund April 2015 economic forecast for 2015–2017, gross domestic product growth for China, Russia and Brazil is expected to be 6.4%, -1.3% and 0.7% respectively. For Canadian producers, the depreciation of the Canadian dollar has positively influenced the revenues of many agricultural producers through lower fuel costs. Fuel and fertilizer together accounted for 18% of total Canadian net farm operating expenses, or $7.8 billion in 2014.

Weather risks have varied impacts on primary agriculture. The 2012 drought that impacted the United States crop production benefited Canadian producers, who were largely unaffected by drought that year, by raising agricultural commodity prices. However there can still be regional

variation in weather with both positive and negative impacts. For example, moisture in late 2014 made harvesting difficult in some regions of the country.
The food and beverage processing industry is a significant driver of the Canadian economy. In terms of total manufacturing employment, it is the largest manufacturing sector in Canada. The food and beverage processing industry has been relatively stable, even during slower economic growth in the overall economy, contrasting with other manufacturing sectors that have experienced more volatility. Its key internal risk drivers are productivity growth, high input costs and lack of sufficient and skilled labour. Many aging food processing plants have trouble making the necessary investments in innovative technologies to improve productivity and expand production to generate economies of scale. In terms of labour availability, industry is experiencing difficulties in hiring a sufficient number of Canadian workers to match business needs, for both low-and high-skilled occupations, that have resulted in decreased productivity and exports.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	Difference (actual minus planned)
2,253,196,812	2,253,196,812	2,113,152,417	2,013,991,368	(239,205,444)

Total Authorities reflect 2014–15 Main Estimates and a net total decrease of $140.0 million consisting of adjustments to statutory amounts to equal Actual Spending, Supplementary Estimates and allocations from central votes received during 2014–15, as well as other adjustments and amounts available from previous year, as reported in the 2014–15 Public Accounts. Actual Spending is less than Planned Spending and Total Authorities mainly due to reduced requirements for statutory grants and contributions under Business Risk Management in 2014–15, as well as the timing of payments for multi-year projects under *Growing Forward 2*. Some of the unspent voted funding is expected to be carried forward.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual[1]	2014–15 Difference[2] (actual minus planned)
5,036	4,597	(439)

[1] Full-Time Equivalents – reflect only those Full-Time Equivalents funded through the Department's appropriated resources. In addition to the actual Full-Time Equivalents of 4,597, there were 14 Full-Time Equivalents employed by Agriculture and Agri-Food Canada for research funded through collaborative agreements with industry partners, 12 Full-Time Equivalents funded from other government departments and four Full-Time Equivalents funded from proceeds from the disposal of surplus Crown Assets. Also, an additional 518 Full-Time Equivalents were employed as students.
[2] Actual Full-Time Equivalents are lower than Planned primarily due to organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Budgetary Performance Summary for Strategic Outcomes and Programs (dollars)

Strategic Outcome 1: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

Program	2014–15 Main Estimates[1]	2014–15 Planned Spending[2]	2015–16 Planned Spending[3]	2016–17 Planned Spending[3]	2014–15 Total Authorities Available for Use[4]	2014–15 Actual Spending[5] (authorities used)	2013–14 Actual Spending[5] (authorities used)	2012–13 Actual Spending[5] (authorities used)
Program 1.1 Business Risk Management	1,297,306,348	1,297,306,348	1,301,429,496	1,305,829,496	1,040,190,844	1,033,315,991	1,280,762,636	1,420,001,333
Program 1.2 Market Access, Negotiations, Sector Competitiveness, and Assurance Systems	211,533,122	211,533,122	194,586,263	173,108,735	198,212,506	163,511,328	*	*
Program 1.3 Farm Products Council of Canada	2,483,404	2,483,404	3,028,779	3,028,779	3,635,003	3,032,055	2,869,840	2,998,099
Strategic Outcome 1 Subtotal	1,511,322,874	1,511,322,874	1,499,044,538	1,481,967,010	1,242,038,353	1,199,859,374	*	*

Strategic Outcome 2: An innovative and sustainable agriculture, agri-food and agri-based products sector

Program	2014–15 Main Estimates[1]	2014–15 Planned Spending[2]	2015–16 Planned Spending[3]	2016–17 Planned Spending[3]	2014–15 Total Authorities Available for Use[4]	2014–15 Actual Spending[5] (authorities used)	2013–14 Actual Spending[5] (authorities used)	2012–13 Actual Spending[5] (authorities used)
Program 2.1 Science, Innovation, Adoption and Sustainabi...	519,175,818	519,175,818	537,550,506	530,833,077	609,379,800	575,890,434	*	*
Program 2.2 Industry Capacity	72,190,745	72,190,745	70,990,651	70,973,522	88,993,343	76,204,095	*	*
Program 2.3 Canadian Pari-Mutuel Agency	34,000	34,000	0	510,000	7,423,425	(2,233,091)	(2,158,401)	(1,240,186)
Strategic Outcome 2 Subtotal	591,400,563	591,400,563	608,541,157	602,316,599	705,796,568	649,861,438	*	*

Internal Services

	2014–15 Main Estimates[1]	2014–15 Planned Spending[2]	2015–16 Planned Spending[3]	2016–17 Planned Spending[3]	2014–15 Total Authorities Available for Use[4]	2014–15 Actual Spending[5] (authorities used)	2013–14 Actual Spending[5] (authorities used)	2012–13 Actual Spending[5] (authorities used)
Subtotal	150,473,375	150,473,375	149,502,365	147,198,390	165,317,496	164,270,556	232,577,216	327,379,980

Funds not allocated to the 2014–15 Program Alignment Architecture

	2014–15 Main Estimates[1]	2014–15 Planned Spending[2]	2015–16 Planned Spending[3]	2016–17 Planned Spending[3]	2014–15 Total Authorities Available for Use[4]	2014–15 Actual Spending[5] (authorities used)	2013–14 Actual Spending[5] (authorities used)	2012–13 Actual Spending[5] (authorities used)
Subtotal	0	0	0	0	0	0	872,847,039	932,419,849

Total

	2014–15 Main Estimates[1]	2014–15 Planned Spending[2]	2015–16 Planned Spending[3]	2016–17 Planned Spending[3]	2014–15 Total Authorities Available for Use[4]	2014–15 Actual Spending[5] (authorities used)	2013–14 Actual Spending[5] (authorities used)	2012–13 Actual Spending[5] (authorities used)
Total	2,253,196,812	2,253,196,812	2,257,088,060	2,231,481,999	2,113,152,417	2,013,991,368	2,386,898,330	2,681,559,075

For an explanation of the variances for the total Department spending, please refer to the Departmental Spending Trend subsection of this report.

* Due to significant changes in Agriculture and Agri-Food Canada's Program Alignment Architecture in 2014–15, expenditures for 2012–13 and 2013–14 have not been provided according to the new Program Alignment Architecture. Refer to the respective fiscal year's Departmental Performance Reports for spending based on the previous Program Alignment Architecture.

[1] Main Estimates figures are as reported in the 2014–15 Main Estimates.
[2] Planned Spending figures are as reported in the *2014–15 Report on Plans and Priorities*. Planned Spending reflects funds already brought into the Department's reference levels as well as amounts to be authorized through the Estimates process as presented in the Annual Reference Level Update.
[3] Planned Spending figures are as reported in the *2015–16 Report on Plans and Priorities*. Planned Spending reflects funds already brought into the Department's reference levels as well as amounts to be authorized through the Estimates process as presented in the Annual Reference Level Update.
[4] Total Authorities reflect 2014–15 Main Estimates and a net total decrease of $140.0 million comprising Supplementary Estimates and allotment transfers received during 2014–15, as well as adjustments to statutory amounts to equal Actual Spending, and internal adjustments and transfers, as reported in the 2014–15 Public Accounts.
[5] Actual Spending figures represent the actual expenditures incurred during the respective fiscal year, as reported in Public Accounts. In certain cases, where authorized amounts are unspent, they can be reprofiled for use in future years.

Alignment of Spending with the Whole-of-Government Framework

Alignment of 2014–15 Actual Spending with the Whole-of-Government Framework[xx] (dollars)

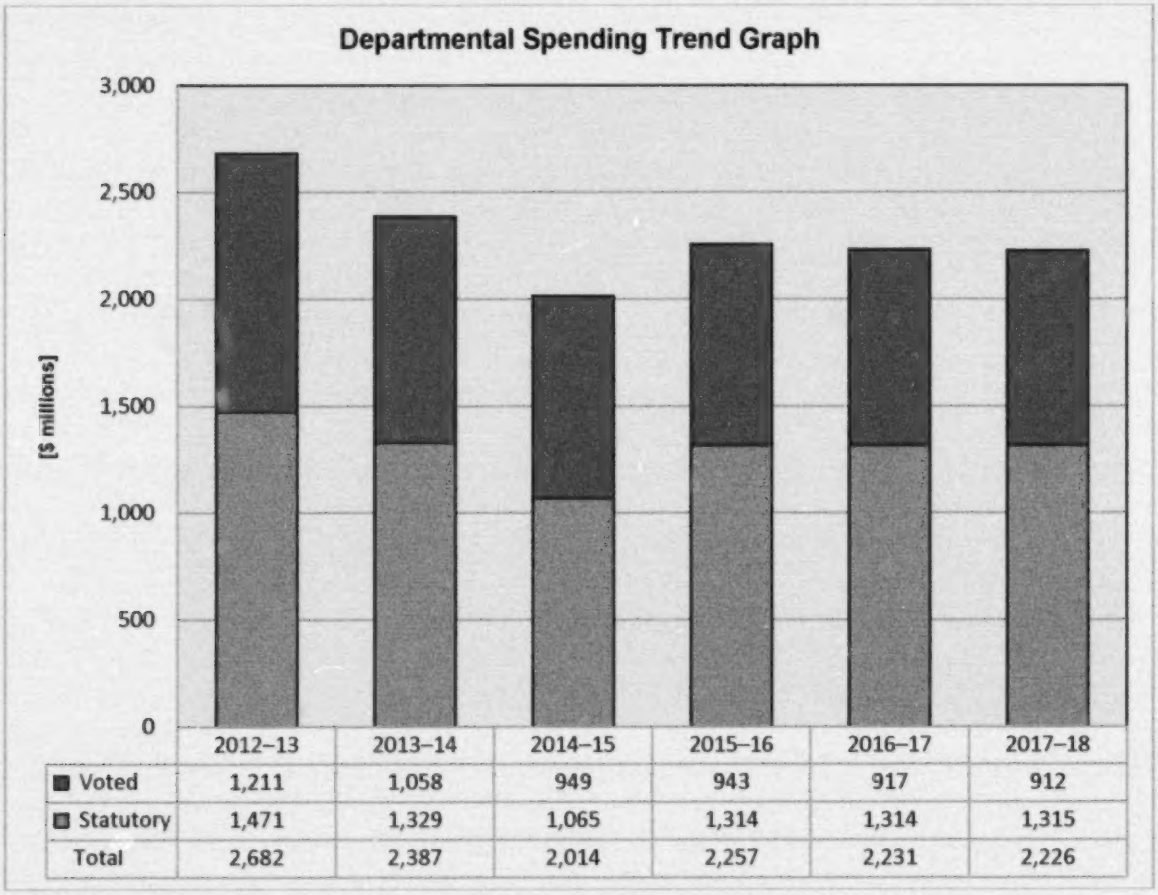
Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Actual Spending
Strategic Outcome 1: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk	1.1 Business Risk Management	Economic Affairs	Strong Economic Growth	1,033,315,991
	1.2 Market Access, Negotiations, Sector Competitiveness, and Assurance Systems	Economic Affairs	Strong Economic Growth	163,511,328
	1.3 Farm Products Council of Canada	Economic Affairs	A Fair and Secure Marketplace	3,032,055
Strategic Outcome 2: An innovative and sustainable agriculture, agri-food and agri-based products sector	2.1 Science, Innovation, Adoption and Sustainability	Economic Affairs	An Innovative and Knowledge-based Economy	575,890,434
	2.2 Industry Capacity	Economic Affairs	Strong Economic Growth	76,204,095
	2.3 Canadian Pari-Mutuel Agency	Economic Affairs	A Fair and Secure Marketplace	(2,233,091)

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic Affairs	2,102,723,437	1,849,720,812
Social Affairs	0	0
International Affairs	0	0
Government Affairs	0	0

Note: Actual Spending by Spending Area does not include Actual Spending for Internal Services.

Departmental Spending Trend



	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
Voted	1,211	1,058	949	943	917	912
Statutory	1,471	1,329	1,065	1,314	1,314	1,315
Total	2,682	2,387	2,014	2,257	2,231	2,226

Notes:
Spending for 2012–13, 2013–14 and 2014–15 represents the actual expenditures incurred during the respective fiscal years, as reported in Public Accounts.

Spending for 2015–16, 2016–17 and 2017–18 represents Planned Spending amounts as reported in the *2015–16 Report on Plans and Priorities*.

Over the period 2012–13 to 2017–18, Actual and Planned Spending varies from $2.0 billion spent in 2014–15 to $2.7 billion spent is 2012–13. Agriculture and Agri-Food Canada's programs and initiatives vary from year to year in response to changes affecting the agriculture, agri-food and agri-based products sector as outlined below.

In 2012–13, transitional support was provided to the Canadian Wheat Board as it became a voluntary grain marketing organization, and moved toward commercialization. The decrease in Actual Spending in 2013–14 was largely attributable to a reduced requirement for statutory grants and contributions under Business Risk Management due to the industry generally

experiencing positive returns in most sectors, as well as Planned Spending reductions for the Canadian Wheat Board Transition Costs program.

The decrease in Actual Spending in 2014–15 was mainly due to a further reduced requirement for statutory grants and contributions under Business Risk Management including the *Agricultural Marketing Programs Act*, the sunsetting of the AgriFlexibility program in 2013–14, and savings realized from the organizational restructuring undertaken by the Government.

Planned Spending for 2015–16 and future years shows an increase compared to 2014–15 as it reflects the full statutory grants and contributions authorities for Business Risk Management programs, which will be spent according to demand.

Expenditures by Vote

For information on Agriculture and Agri-Food Canada's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*[xxi], which is available on the Public Works and Government Services Canada website[xxii].

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome 1: A competitive and market-oriented agriculture, agri-food and agri-based products sector that proactively manages risk

Canada is a major producer and exporter of agriculture, agri-food and agri-based products, directly contributing to the economic stability and prosperity of Canadians. As such, the Canadian agriculture, agri-food and agri-based products sector must be able to competitively produce, process and market its products, respond to challenges, and capture opportunities both domestically and internationally over the long-term. The Department supports the sector in proactively managing risks and in accessing and developing markets.

Program 1.1: Business Risk Management

Description: Agriculture and Agri-Food Canada has a comprehensive suite of Business Risk Management programs to better equip producers with the tools and capacity to manage business risks. This suite provides coverage for small income declines, margin-based support for larger income losses, and a disaster relief framework for rapid assistance to producers and production insurance to protect farmers against production losses due to uncontrollable natural hazards. In addition, assistance to producers through the provision of financial guarantees facilitates the marketing of producers' products when market conditions and prices may be more favourable.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
1,297,306,348	1,297,306,348	1,040,190,844	1,033,315,991	(263,990,357)

Differences in financial resources are largely due to a reduced requirement for statutory grants and contributions as a result of less need for disaster response initiatives, good industry conditions, low lending rates, and a decline in the insurable prices for most of the major commodities insured. In addition, Actual Spending is net of $12,256,165 related to a return of funding from statutory grant and contribution programs, of which $9.95 million relates to the Hog Farm Transition and Hog Industry Loan Loss Reserve programs that have expired and are not included in the current Program Alignment Architecture sub-programs. Therefore, Actual Spending at the sub-program level does not add up to the Program level spending for Business Risk Management.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
365	349	(16)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Producers' income losses are reduced	Percentage of producers' net market income plus Business Risk Management payments compared to the previous five-year average net market income plus Business Risk Management payments for the sector for the 2012 program year	85 by March 31, 2015	141
Producers' income losses are reduced	Percentage of producers considering the Business Risk Management suite of programs as an effective tool to manage business risks	70 by March 31, 2018	Progress to date indicates the target will be achieved
Producers' income losses are reduced	Percentage of overall producers' satisfaction with the delivery of Business Risk Management programs	70 by March 31, 2018	Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

Under the *Growing Forward 2*[xi] policy framework, the focus of Business Risk Management programs is to provide assistance in response to severe market volatility and disaster situations; producers are responsible for managing normal risks. On April 1, 2013, changes to the AgriStability[xiv] and AgriInvest[xv] programs were implemented to reflect this policy direction. In addition, the AgriRecovery Framework[xxiii] was refined to better target assistance and focus on disaster recovery costs.

In addition to the core Business Risk Management programs, the federal government continued to provide producers with two ongoing loan-guarantee programs: the *Canadian Agricultural Loans Act* program[xxiv] and the Advance Payments Program[xviii].

The Department monitored the performance of its programs by comparing sector revenue, including Business Risk Management program payments, to the five-year average. With increased revenues from the market in 2012, sector revenue was 141% of the five-year average, far exceeding the target of 85%.

Sub-Program 1.1.1: AgriStability

Description: The AgriStability program provides support when producers experience large margin declines. Producers may be able to receive an AgriStability payment when their current year program margin falls below a percentage of their historical reference margin. AgriStability is cost-shared 60:40 by federal and provincial/territorial governments.

This program uses funding from the following transfer payment(s): (Statutory) Grant payments for the AgriStability program and (Statutory) Contribution payments for the AgriStability program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
278,882,108	208,668,186	(70,213,922)

The AgriStability program is statutory and demand-driven, rather than being funded from a set allocation for each fiscal year. For AgriStability, although the administrative costs of the program remain relatively constant, the year-to-year grant and contribution payments are directly related to both participation and industry conditions. The 2014–15 Actual Spending largely reflects the 2013 program year, which was a very good year in the agricultural sector, resulting in lower payouts from the AgriStability program.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
286	161	(125)

Actual Full-Time Equivalents are lower than Planned primarily due to the realignment among sub-programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Short-term impacts of large income losses are mitigated	Participants' farm market revenues as a percentage of total farm market revenues for the 2012 program year	75 by March 31, 2015	64
Short-term impacts of large income losses are mitigated	Participants' Program Margin plus payments as a percentage of the Reference Margin for the 2012 program year	65 by March 31, 2015	77
Short-term impacts of large income losses are mitigated	Percentage of producers participating in AgriStability for the 2012 program year	55 by March 31, 2015	42

Performance Analysis and Lessons Learned

Under *Growing Forward 2*[xi], with producers assuming more responsibility for managing smaller risks, government assistance is focused on disasters and severe market volatility. Changes made

to AgriStability[xiv] to improve support for large-margin declines included:

- Providing assistance once a participating producer's program-year margin falls below 70% of that producer's historical reference margin;
- Basing payments on the same level of government support (70%) regardless of the extent of margin loss, including negative margins; and
- Limiting a producer's reference margin to the lower of historical reference or average allowable expenses in the years used to calculate the reference margin.

These adjustments came into effect at the start of 2013–14, the results and information related to the processing of 2013–14 AgriStability applications will be reported in the 2015–16 *Departmental Performance Report.*

Performance data collected for this report is from the 2012 program year, under the *Growing Forward* program rules. The target for AgriStability participants' farm-market revenues as a percentage of the sector's total farm market revenues was not met (64% versus 75%). This is likely due to the sector's strong performance and increased returns from the marketplace; producers did not rely on program payments to the extent they had in the past.

While there has been a gradual decline in AgriStability participation rates (42% for 2012 versus 57% for 2007), this can be attributed to several factors:

- A decline in the overall number of farms due to the long-term trend of farm consolidation;
- Favourable market conditions experienced by many producers; and
- Individual business decisions made by producers.

The performance target to return AgriStability participants' program margin with payments to greater than 65% of the participants' reference margin was achieved. During this period of generally positive conditions for the agricultural sector, there has been less demand on the program, and producers' AgriStability support levels (reference margins) have been increasing, improving the capacity of the program to respond to future events.

Sub-Program 1.1.2: AgriInvest

Description: AgriInvest helps producers manage small income declines, and provides support for investments to mitigate risks or improve market income. Producers' AgriInvest accounts build as they make annual deposits based on a percentage of their Allowable Net Sales and receive matching contributions from federal and provincial/territorial governments. AgriInvest is cost-shared 60:40 by federal and provincial/territorial governments.

This program uses funding from the following transfer payment(s): (Statutory) Grant payments for the AgriInvest program and (Statutory) Contribution payments for the AgriInvest program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
156,161,330	181,692,866	25,531,536

AgriInvest is demand-driven, rather than being funded from a set allocation for each fiscal year. Although the administrative costs of the program remain relatively constant, the variance of the year-to-year grant and contribution payments is directly related to both participation and commodity prices. Producers' deposits and government contributions are based on a percentage of income generated from the sale of commodities for a production period.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
20	125	105

Actual Full-Time Equivalents are higher than Planned primarily due to the realignment among sub-programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Producers have the flexibility in managing financial risks	Percentage of AgriInvest producers triggering AgriStability payments and making withdrawals from their AgriInvest saving accounts for the 2012 Program Year	60 by March 31, 2015	48
Producers have the flexibility in managing financial risks	Producers' deposits as a percent of maximum allowable contributions for the 2012 Program Year	70 by March 31, 2015	91
Producers have the flexibility in managing financial risks	Percentage of producers participating in AgriInvest for the 2012 Program Year	75 by March 31, 2015	75

Performance Analysis and Lessons Learned

Participation in the AgriInvest[xv] program has been consistent since 2008. In 2012, a total of 133,512 producers (with revenue greater than $10,000) took part in the program, representing 75% of all Canadian producers. Producers currently have over $1.9 billion in their AgriInvest accounts. These accounts can be accessed at any time to manage income declines or make investments.

The percentage of producers making withdrawals from their AgriInvest accounts while receiving AgriStability[xiv] assistance has remained below the target for 2012 (48% result versus 60% target). Federal, provincial and territorial governments plan to continue to look at the underlying reasons for this trend as the new program rules are put in place under *Growing Forward 2*[xi].

AgriInvest provides support to producers through a simple program design, and government administrators are able to issue deposit notices to clients within 45 days of receiving applications, 95% of the time. Also, the percentage of producers depositing their maximum allowable contribution for the 2012 program year was 91%.

Starting with the 2013 program year, program changes to AgriInvest were introduced, consistent with the direction of *Growing Forward 2* where producers assume more responsibility for managing smaller risks while government assistance is focussed on disasters and severe market volatility. The adjustments since *Growing Forward* were:

- The maximum matching government contribution is limited to $15,000 for each year, down from the previous $22,500;
- Producers may deposit up to 100% of annual allowable net sales and receive matching government contributions on the first 1% (previously a producer's deposits were limited to 1.5% which was matched by governments); and
- Maximum account balance was increased from 25% of a producer's average allowable net sales to 400%.

While these adjustments came into effect with the 2013–14 program year, processing will not be completed until 2015. Information reflecting the new program changes will be reported in 2015–16.

Sub-Program 1.1.3: AgriRecovery

Description: AgriRecovery is a disaster-relief framework that allows federal, provincial and territorial governments to work together on a case-by-case basis to assess disasters (for example, extreme weather, disease, pests, *et cetera*) affecting Canadian farmers and respond with targeted, disaster-specific programming when assistance is needed beyond existing programming (AgriStability, AgriInvest, AgriInsurance, Canadian Food Inspection Agency compensation, *et cetera*). The aim of AgriRecovery is to provide affected producers with assistance to help them take action to mitigate the impacts of the disaster and/or resume business operations as quickly as possible following a disaster event.

This program uses funding from the following transfer payment(s): (Statutory) Contribution payments for the Agricultural Disaster Relief program/AgriRecovery.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
122,745,830	4,353,852	(118,391,978)

AgriRecovery is a disaster relief framework under which initiatives are put in place on a case-by-case basis to help impacted producers with the costs of recovery. It is therefore need-based and demand-driven. Actual Spending was much lower than the Planned Spending as there was little need for disaster response initiatives in 2014–15, with only one initiative continuing from 2013–14 and one new initiative.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
9	8	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Farm businesses resume operations following a natural disaster	Percentage of AgriRecovery recipients undertaking anticipated recovery activities	90 by March 31, 2015	100
Farm businesses resume operations following a natural disaster	Percentage of AgriRecovery recipients where AgriRecovery payments played an important role in their recovery from a disaster	75 by March 31, 2015	Not available (See Performance Analysis and Lessons Learned)

Performance Analysis and Lessons Learned

Under *Growing Forward 2*[xi], governments continue to use the AgriRecovery Framework[xxiii] to help farmers recover from natural disasters.

In 2014–15, governments implemented the 2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative[xxv] and completed the 2013 Canada-Nova Scotia Strawberry Assistance Initiative. In the reporting period, an estimated 110 producer payments were made under these two AgriRecovery initiatives, totaling almost $1.1 million (the federal share was about $650,000). The performance results demonstrate the continued relevance of AgriRecovery. As the two initiatives were receipt-based, all recipients undertook the anticipated recovery activities. Of note, for the two active initiatives in 2014–15, the Canada-British Columbia Avian Influenza Assistance Initiative is currently ongoing; with regard to the Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative, the Department is in the process of collecting the performance data through the final reporting process. Therefore, the performance results for the second measure will be reported in Agriculture and Agri-Food Canada's *2015–16 Departmental Performance Report*.

In terms of timeliness, there are currently two performance measures: 120 days from the start of the formal assessment to notify producers of the results and 300 days from the start of the formal assessment to release at least 75% of payments. While the 2013 Canada-Nova Scotia Strawberry Assistance Initiative was announced within the 120-day period, administrators were unable to release 75% of program payments within the 300-day target (it took 446 days). This was because most recipients had to pull their infected strawberry plants in the fall and replant with clean plants the following spring prior to being eligible for a payment. The 2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative was announced well within the target 120-day timeframe and payments are still underway.

The Department continued to work with the provinces and territories to address recommendations from the Auditor General's fall 2013 report to improve the timeliness of AgriRecovery assessments and payments. As recommended by the Auditor General, improvements were made in order to track and report on AgriRecovery timeliness in real time, and a new methodology was developed to measure risks for future AgriRecovery assessments and initiatives with the objective of streamlining where risk is low. The Department is also reporting on program performance against the timeliness targets in this *Departmental Performance Report*, as recommended by the Auditor General.

Along with the provinces and territories, the Department worked to address the Auditor General's recommendation to review the impediments to timeliness. This has resulted in new Performance Measurement Strategy for AgriRecovery, which includes improved measures for timeliness; templates to accelerate the assessment and agreement processes; and, a new process to capture lessons learned from past initiatives. Work will continue with the provinces and territories to finalize process improvements to the program in 2015–16, to improve timeliness of initiatives.

Sub-Program 1.1.4: AgriInsurance

Description: AgriInsurance provides insurance against production losses for specified perils. The federal government contributes to AgriInsurance contracts offered to producers by provinces or territories. The commodities covered vary by province or territory and continue to expand to cover additional commodities.

This program uses funding from the following transfer payment(s): (Statutory) Contribution payments for the AgriInsurance program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
645,332,609	613,639,255	(31,693,354)

AgriInsurance is demand-driven. Although the administration costs of the program remain relatively constant, the premium spending can fluctuate from one year to another based on the commodities and the number of acres producers decide to insure under the program. In 2014, there was a decline in the insurable prices for most of the major commodities insured under the program. This factor, in combination with a reduction in the acreage insured, resulted in the decline of federal expenditures for the AgriInsurance program.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
17	19	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Production losses are mitigated by providing effective insurance protection	Percentage of producers who feel that AgriInsurance is effective in mitigating financial impacts of production losses	70 by March 31, 2018	Progress to date indicates the target will be achieved
Production losses are mitigated by providing effective insurance protection	Value of insured production as a percentage of the total value of all agricultural products eligible for insurance	70 by March 31, 2015	76
Production losses are mitigated by providing effective insurance protection	Value of agricultural products eligible for insurance as a percentage of the value of all agricultural products (excluding livestock)	85 by March 31, 2015	88

Performance Analysis and Lessons Learned

AgriInsurance[xxvi] is an important and popular risk-management tool for producers. No program adjustments were made to AgriInsurance under the new *Growing Forward 2*[xi] policy framework. Close to 90% of the primary products produced in the country have an insurance product available to them. Producers took advantage of this opportunity as over 76% of the total value of primary agricultural products that were eligible was insured.

Although the program was not adjusted in *Growing Forward 2*, the federal government continues to work on improving the insurance products available to producers by expanding available coverage, particularly in key areas like forage. For example, the Government/Industry Forage Task Team identified options to improve forage insurance products that led to several options to enhance the forage insurance products being adopted by some provinces. For instance, Alberta and Ontario modified their seasonal forage insurance plans, and Manitoba introduced a new suite of forage insurance that offers several new options and improved coverage for producers.

The Department addressed all of the recommendations of an internal evaluation and an internal audit. Actuarial audits are now also performed to ensure that actuarial certified methodologies continue to be properly used by provinces. Finally, administrative processes were refined to better serve clients and to meet established service standards.

Sub-Program 1.1.5: AgriRisk

Description: The AgriRisk initiatives program provides financial and technical assistance to private-sector or industry-led projects to research, develop, implement, and deliver new risk management tools including insurance-based tools. The objective of the program is to increase producers' ability to address the risks they face by facilitating the development and adoption of agricultural risk management tools. AgriRisk initiatives program will be delivered through time-limited financial and technical assistance for projects undertaking the research and development of potential risk-management tools, and support the administrative capacity-building projects for the delivery of these tools. Research and development projects are federal-only funding whereas implementation and delivery projects are cost-shared with provinces or territories.

This program uses funding from the following transfer payment(s): Grant payments for the AgriRisk initiatives program and Contributions for the AgriRisk initiatives program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
7,454,988	4,657,488	(2,797,500)

A high uptake of the AgriRisk initiative program was anticipated in early 2014–15, after industry organizations expressed a strong interest in the program. However, converting interest to projects took longer than expected and the majority of the applications were received late in 2014–15. As a result, many of the projects will be starting in, or having the bulk of the work done in, 2015–16.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
1	3	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Industry has increased awareness of current agricultural risk management tools and mitigation strategies and has access to new or expanded business risk management tools	Percentage of participants using new tools that have been launched under AgriRisk initiatives	5 by March 31, 2018	Progress to date indicates the target will be achieved
Industry has increased awareness of current agricultural risk management tools and mitigation strategies and has access to new or expanded business risk management tools	Percentage of producers that indicate that AgriRisk initiatives projects have improved their risk management decision-making and practices	70 by March 31, 2018	Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

The AgriRisk[xxvii] initiatives program consists of two streams: (1) Research and Development, launched in 2013, under which the Department received 20 applications to develop new risk-management tools, of which eight have been approved and the remaining applications are in various stages of consideration; and (2) Administrative Capacity Building, launched in 2014, to help deliver the new tools. Under this latter stream, the Department funded four initiatives in 2014–15.

During the reporting period, the Department continued to work closely with producers and commodity organizations to develop and launch AgriRisk initiatives program projects. These new projects helped investigate potential new agricultural risk products and services to address the financial impacts of adverse events affecting producers. Project proposals under the program have been submitted to explore options related to price, disease and credit risk challenges.

The AgriRisk initiatives program reflects an increased emphasis on insurance and alternative risk management under *Growing Forward 2*[xi]. One of the early successes of this program was the launch of the Western Livestock Price Insurance Program early in 2014–15.

Sub-Program 1.1.6: *Agricultural Marketing Programs Act*

Description: The Advance Payments Program and the Price Pooling Program are two active federal loan guarantee programs legislated under the authority of the *Agricultural Marketing Programs Act*. Under the Advance Payments Program, the government guarantees the repayment of the cash advances made to crop and livestock producers by third-party administrators for a specified period of time, based on the value of their agricultural product. These cash advances improve producers' cash flow throughout the year, enabling them to meet their financial obligations and benefit from the best market conditions. Eligible producers can receive an Advance Payments Program advance of up to $400,000 at a preferential interest rate, with the government paying the interest on the first $100,000. Producers repay their advance plus interest, as their product is sold. Target clients are producers of agricultural products as defined under the *Agricultural Marketing Programs Act*. The Price Pooling Program facilitates the marketing of agricultural products under cooperative plans by guaranteeing a minimum average price of products sold by marketing agencies. This enables marketing agencies to secure financing and to issue initial delivery payments to their members. The government guarantee protects agencies against unanticipated declines in the market price of their products that exceed 35%. Target clients are marketing agencies of agricultural products defined under the *Agricultural Marketing Programs Act*.

This program uses funding from the following transfer payment(s): Payments in connection with the *Agricultural Marketing Programs Act* (S.C., 1997, c. C-34).

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
71,987,500	29,581,884	(42,405,616)

Lower than expected prime lending rates across the financial industry have decreased the interest costs related to amounts advanced. This, in combination with an increase to the amount recovered of prior year defaults have reduced overall program guarantee costs below the Planned Spending amount for 2014–15.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
28	29	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agricultural producers have improved cash-flow to enable them to make better marketing decisions about their products	Number of producers receiving Advance Payments Program advances per production period	30,000 by March 31, 2015	21,461
Agricultural producers have improved cash-flow to enable them to make better marketing decisions about their products	Dollar value of Advance Payments Program advances issued per production period (billions)	2.0 by March 31, 2015	1.98

Performance Analysis and Lessons Learned

Based on demand, interest rates and needs of producers, the uptake of the Advance Payments Program[xviii] by producers fluctuates from year-to-year. For 2014–15, 52 agreements were put in place to deliver the Program through third-party producer organizations. Between 2008 and 2014, the average number of producers receiving advances per production period was 25,774 and the average amount advanced per producer was $80,248.

Bill C-18, the *Agricultural Growth Act*[xvii], was introduced December 9, 2013; it proposed several changes to the *Agricultural Marketing Programs Act*[xvi]. The *Agricultural Growth Act* received Royal Assent February 25, 2015. Sections of the *Agricultural Growth Act* were brought into force almost immediately which led to changes to the Advance Payments Program for the 2015 program year. During 2014–15, Agriculture and Agri-Food Canada supported the parliamentary process, worked closely with program administrators to finalize implementation requirements, and continued to deliver the Advance Payments Program under the old *Agricultural Marketing Programs Act* rules and requirements, as well as current *Agricultural Marketing Programs Act* rules.

The Department completed an internal audit of the Advance Payments Program in March 2015. The audit determined that effective controls were in place to support the administration, compliance and monitoring controls for the Advance Payments Program, with some recommendations for improvement provided. To date, the majority of these recommendations have been implemented, either through the changes made under Bill C-18, the *Agricultural Growth Act*, or through improvements to program policy and documentation. The remaining recommendations are expected to be completed in 2015–16.

Sub-Program 1.1.7: Canadian Agricultural Loans Act

Description: The *Canadian Agricultural Loans Act* is a legislated financial loan guarantee program that improves availability of credit to farmers and agricultural co-operatives. Under the *Canadian Agricultural Loans Act* program, the Government of Canada guarantees to financial institutions repayment of the loans that they make to farmers and agricultural co-operatives for eligible purposes. Farmers use these loans to establish, improve, and develop their farms, while agricultural co-operatives use loans to process, distribute, or market the products of farming.

This program uses funding from the following transfer payment(s): Loan guarantees under the *Canadian Agricultural Loans Act* (R.S.C., 1985, c. 25 [3rd Supp.]).

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
14,741,983	676,804	(14,065,179)

Reduced prime lending rates across the financial industry have reduced uptake of the program and have also decreased the costs associated with defaulted loans. This, in combination with amounts recovered from past years honoured loans have reduced the overall program costs below the Planned Spending amount for 2014–15.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
4	4	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agricultural farmers and co-operatives have access to affordable capital to make investments in their farm properties	Dollar value of registered loans awarded by lending institutions during the fiscal year (millions)	217 by March 31, 2015	100.9

Performance Analysis and Lessons Learned

Under the *Canadian Agricultural Loans Act* program[xxiv], the government guarantee requires financial institutions to cap the interest rate charged on registered loans, and prescribes the

maximum duration of a loan to 15 years for land purchases and 10 years for all other purposes. Beginning farmers can receive up to 90% financing under the program, while existing farmers can receive up to 80%.

In 2014–15, 1,569 loans worth $100.9 million were issued, including 258 loans worth $26.4 million to beginning farmers. The target of $217 million was not reached due mainly to continued low interest rates and less incentive for financial institutions and farmers and agricultural cooperatives to participate in the program.

An internal evaluation of the *Canadian Agricultural Loans Act* program, completed in 2013, concluded that the program is a low-risk, low-cost way to support the agricultural sector. This evaluation is being used, along with an examination of the program and its associated regulations by Justice Canada, to inform the required five-year legislative review currently underway. A final completion date for the review has not yet been determined.

Program 1.2: Market Access, Negotiations, Sector Competitiveness, and Assurance Systems

Description: Agriculture and Agri-Food Canada supports and equips industry for commercial success in order to maximize the sector's long-term profitability and competitiveness. In pursuing this objective and in close collaboration with the Canadian agriculture, agri-food and agri-based products sector, Agriculture and Agri-Food Canada ensures access to markets, facilitates industry-led activities aimed at developing international markets and assurance systems, and provides information to help position industry to capitalize on market opportunities both at home and abroad. Assurance systems include systems, standards and tools for food safety, biosecurity, traceability, surveillance, animal welfare, and other market attributes.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
211,533,122	211,533,122	198,212,506	163,511,328	(48,021,794)

Actual Spending was lower than Planned Spending due to various factors including a realignment among programs in response to shifting priorities. While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs have been rolled out in the first year and continue to come on line, program uptake has varied across programs resulting in underspending in some areas and overspending in others. Demand is expected to increase in future years as industry adjusts to the new cost-sharing model and expanded eligibility. The previous program under *Growing Forward* was for the development of food safety and traceability systems, while the current *Growing Forward 2* programing expands the systems development to systems such as animal health, surveillance and biosecurity, as well as funding the integration of all these systems into one. In addition, Planned Spending included funding that was later transferred to other government departments for *Growing Forward 2* initiatives and to the Western Economic Diversification to support the establishment of the Canadian Beef Centre of Excellence.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
414	372	(42)

Actual Full-Time Equivalents are lower than Planned primarily due to organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadian agriculture and agri-food sector is responsive to market opportunities and risks	Growth in total exports of agriculture and agri-food (including seafood) (billions of dollars)	50.3 by December 31, 2017	56.4 in 2014; a 12% increase from 2013

Performance Analysis and Lessons Learned

The value of Canadian agriculture, agri-food and seafood exports increased in 2014 by 12% from 2013 levels to a record $56.45 billion, surpassing the target established for 2017. Increases in the export value of beef (45.6%), canola seed (19.6%), pork (16.4%), non-durum wheat (12.6%), and fish and seafood products (12.1%) contributed to the overall growth.

The Department contributed to improved trade and market access by helping advance several bilateral and multi-lateral trade agreements and helping achieve progress on numerous market-access issues.

Through funding initiatives, the Department advanced national assurance systems and agreements were finalized for several projects in the reporting period. In addition, the Department supported industry-led market development activities through funding agreements with key national industry associations and several small- and medium-sized enterprises.

Sub-Program 1.2.1: Trade and Market Expansion

Description: The Trade and Market Expansion program, funded by existing departmental resources and *Growing Forward 2*, enhances Canada's market presence by promoting science-based trade rules, re-opening, maintaining and expanding markets, and pursuing Free Trade Agreements with key trading partners, recognizing the importance of global markets to the profitability of Canada's agriculture, agri-food and agri-based products sector. To fully capture the benefits of Free Trade Agreements and increased access, the Trade and Market Expansion also provides resources and tools, such as market intelligence, a trade commissioner service and Canada Brand tools and coordination, that enable industry to seize new market opportunities and build commercial success.

The program uses funding from the following transfer payment(s): Grants to foreign recipients for participation in international organizations supporting agriculture.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
33,008,082	18,432,666	(14,575,416)

Actual Spending was lower than Planned Spending primarily due to a realignment among programs in response to shifting priorities. In addition, Planned Spending included funding that was later transferred to other government departments for *Growing Forward 2* initiatives.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
164	120	(44)

Actual Full-Time Equivalents are lower than Planned primarily due to organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadian agriculture and agri-food and agri-based product exporters are successful in seizing new market opportunities and in achieving commercial success	Value of Canadian agriculture and agri-food exports to Organisation for Economic Co-operation and Development countries (billions of dollars)	36.1 by December 31, 2017	40.75 in 2014
Canadian agriculture and agri-food and agri-based product exporters are successful in seizing new market opportunities and in achieving commercial success	Value of Canadian agriculture and agri-food exports to non-Organisation for Economic Co-operation and Development countries (billions of dollars)	14.2 by December 31, 2017	15.7 in 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada played a lead role in advancing the sector's interests in trade negotiations. Notable accomplishments included the Canada-Korea Free Trade Agreement that came into force January 1, 2015 and the conclusion of negotiations of the Comprehensive Economic and Trade Agreement with the European Union announced on August 15, 2014. At the end of the reporting period, progress was achieved on the Trans-Pacific Partnership through several negotiating rounds and on the Comprehensive Economic Partnership Agreement with India through the ninth round of negotiations on March 19, 2015.

The Department continued to respond to the rise of non-tariff trade barriers by advocating for science-based and transparent trade rules and regulations at the World Trade Organization and

other international fora. With respect to the United States' Country-of-Origin Labeling measures, the World Trade Organization ruled on October 20, 2014 in Canada's favour, for the third time, by reaffirming that Country-of-Origin Labeling discriminates against Canadian cattle and hogs.

In collaboration with industry, the Department conducted outreach activities that targeted specific market access issues. For example, progress was made on access to the Chinese market for bone-in beef, timothy hay (a perennial grass), live swine, cherries, and blueberries. Several smaller markets that were closed to Canadian beef since 2003, as a result of the discovery of bovine spongiform encephalopathy, were reopened. Also, the potential financial loss resulting from the trade embargo imposed by Russia was minimized as a result of immediate and close collaboration between Agriculture and Agri-Food Canada, the Canadian Food Inspection Agency[viii], the Department of Foreign Affairs, Trade and Development, the Department of Fisheries and Oceans, and implicated industry stakeholders. This resulted in most product destined for Russia being redirected to alternate markets.

In addition, the Department engaged with its trading partners to minimize any potential trade implications related to the detection in Canada of avian influenza and bovine spongiform encephalopathy.

Agriculture and Agri-Food Canada helped the sector to position itself to take advantage of opportunities created by improved market access conditions. For example, work was undertaken on new tools and strategies to identify market opportunities resulting from the Comprehensive Economic and Trade Agreement with the European Union. The International Market Engagement Team for the European Union, which coordinates the market development activities of the federal, provincial and territorial governments, is a key vehicle for this work and will play a leadership role in coordinating and delivering these strategies to benefit the industry. These activities operate hand-in-hand with the project funding available through the Market Development sub-program to support the sector in developing markets abroad.

Sub-Program 1.2.2: Sector Engagement and Development

Description: The Sector Engagement and Development program, funded by existing departmental resources and *Growing Forward 2*, seeks to improve the sector's competitiveness and market success. Regional and sector specialists work to maintain and expand working relationships through collaboration with provinces and territories, national and regional agricultural and food associations, individual companies and value chain members, in order to develop knowledge and address issues of importance facing the sector, including market and regulatory issues.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
25,898,478	19,829,263	(6,069,215)

Actual Spending was lower than Planned Spending primarily due to a realignment among programs in response to shifting priorities.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
167	155	(12)

Actual Full-Time Equivalents are lower than Planned primarily due to organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agriculture, agri-food and agri-based value chains are able to adapt to industry challenges and opportunities	Growth in food and beverage shipments (billions of dollars)	105.37 by December 31, 2017	105.5 in 2014
Agriculture, agri-food and agri-based value chains are able to adapt to industry challenges and opportunities	Growth in farm market receipts (billions of dollars)	52.6 by December 31, 2017	55.3 in 2014

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada's support to the sector to improve its competitiveness and profitability, in combination with other influences, contributed to significant increases in the sales of Canadian agriculture, agri-food and seafood products.

The Department has developed strong relationships with stakeholders through its regional presence and 13 Value Chain Roundtables[xxviii] that bring together industry leaders and federal and provincial policy makers to address sector competitiveness, and to help the respective sectors share information effectively and make informed decisions. For example, in recognition of the important contribution of the food processing industry to Canada's economy, a federal-provincial-territorial Food Processing Industry Development Forum began in 2014–15 to bring an integrated government approach to analyzing and exploring options to address key issues affecting the competitiveness of the sector.

While ensuring the legitimate goals of regulations are respected, easing the regulatory burden placed on industry is vital to maintain and improve competitiveness while continuing to protect the health of Canadians and the safety and security of the food supply. The Department helped the sector adapt to regulatory modernization through engagement activities. As an example, the Department, by reaching out via the Value Chain Roundtables, ensured industry participation in the Canadian Food Inspection Agency's[viii] regulatory consultations. Work also continued to inform policy development and address regulatory impediments to innovation and competitiveness.

The Department continued to work directly with Health Canada and the Canadian Food Inspection Agency to ensure that regulatory modernization activities consider industry needs and account for the impact of changes on industry innovation and competiveness. The Department also used its regional network to help inform policy and program decisions.

Sub-Program 1.2.3: Market Development

Description: This *Growing Forward 2* program supports the agricultural sector by providing resources through matching contribution agreements to ensure that industry has the capacity to take advantage of gains made in market access, as well as to seize new opportunities presented by consumer preferences and emerging food trends, in order to be competitive in domestic and export markets. For example, Market Development supports Canada's agriculture and food industry to build and deliver on long-term international strategies, to gain and expand international recognition in key markets and enhance market opportunities for Canadian agriculture and food products. This ensures that Canada is well-positioned to succeed in key markets and respond to consumer demands and global competition.

This program uses funding from the following transfer payment(s): Contribution payments for the AgriMarketing program under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
22,945,389	22,069,960	(875,429)

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
14	16	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The agriculture sector is supported to maintain the visibility of Canadian sectors/products as well as to maintain its capacity to identify and seize market development opportunities that contribute to its trade competitiveness	Cumulative number of market development and promotional products/events undertaken under the program aimed at new markets	350 by March 31, 2018	115 Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

The Department signed 65 agreements with industry associations for Market Development projects to support their long-term international strategies. This represented a total commitment of $80.2 million. It is expected that the activities will contribute towards increasing exports and market share in targeted markets according to baseline figures established over this last year.

In addition, 50 Market Development project agreements were signed with small- and medium-sized enterprises that operate in the agriculture, agri-food, and fish and seafood sectors; these enterprises have fewer than 250 employees and annual sales not exceeding $50 million. The projects were approved for a total commitment of $865,253 to help recipients identify and seize new market opportunities.

Sub-Program 1.2.4: Assurance Systems

Description: The Canadian agriculture, agri-food and agri-based products sector is supported in its endeavours to prevent and control risks to the animal/plant resource base, provide safe food and meet new market demands for assurance. Federal *Growing Forward 2* programming supports national organizations in developing national assurance systems, standards and tools, which include food safety systems, biosecurity standards, traceability systems, and market attribute standards.

This program uses funding from the following transfer payment(s): Contribution payments for the AgriMarketing program under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
20,230,237	8,001,431	(12,228,806)

Actual Spending was less than Planned Spending, but in line with past trends. Demand should increase in future years as industry adjusts to the new cost-sharing model and expanded eligibility. The previous program under *Growing Forward* was for the development of food safety and traceability systems, while the current *Growing Forward 2* programing expands the systems development to systems such as animal health, surveillance and biosecurity, as well as funding the integration of all these systems into one. In addition, Planned Spending also included funding that was later transferred to other government departments for *Growing Forward 2* initiatives and to the Western Economic Diversification to support the establishment of the Canadian Beef Centre of Excellence.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
24	19	(5)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The Canadian agriculture and agri-food industry has the tools available to implement assurance systems that respond to consumer, buyer and market demands; to gain and maintain market access; and to protect against threats to plant and animal health	Cumulative number of assurance system/standard tools completed	35 by March 31, 2018	14 Progress to date indicates the target will be achieved
Implementation of assurance systems and standards by producers and agri-businesses	Cumulative number of assurance system/standard activity undertaken by producers and agri-businesses under *Growing Forward 2* Federal-Provincial-Territorial Cost-Shared Programming	13,200 by March 31, 2019	Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

Ongoing work on assurance systems, such as food safety, animal welfare, traceability, and biosecurity continued through contribution agreements with industry and through a Memorandum of Understanding with the Canadian Food Inspection Agency[viii].

Two new systems were completed since the start of *Growing Forward 2*[xi], bringing the number of completed assurance systems to 14. The Dairy Farmers of Canada completed its food-safety system, the Canadian Quality Milk program, and the Canadian Poultry and Egg Processors Council completed an animal welfare program for egg-type hatcheries.

Actual Spending was less than Planned Spending, but in line with past trends. Demand should increase in future years as industry adjusts to the new cost-sharing model and expanded eligibility. The previous program under *Growing Forward* was for the development of food safety and traceability systems, while the current *Growing Forward 2* programing expands the systems development to systems such as animal health, surveillance and biosecurity, as well as funding the integration of all these systems into one. In addition, Planned Spending also included funding that was later transferred to other government departments for *Growing Forward 2* initiatives and to the Western Economic Diversification to support the establishment of the Canadian Beef Centre of Excellence.

Agriculture and Agri-Food Canada also continued work with industry on national livestock traceability and supported the Canadian Agri-Traceability Services. These services will provide a national system for collecting and managing traceability information.

Under a Memorandum of Understanding, the Canadian Food Inspection Agency is also delivering Technical Expertise Initiatives. This work is detailed in Section III of this report. Some key results for the reporting period are:

- reviews were completed for three existing Hazard Analysis Critical Control Points food safety systems (trucking, honey and turkey) and began for three others (horticulture, hatching eggs and dairy);
- amendments to the *Health of Animals Regulations* for pig traceability were put into place; and
- a feasibility study was completed that will guide the work plan for national service sector biosecurity standards.

An internal evaluation of the Canadian Integrated Food Safety Initiative[xxix] program, the predecessor to the *Growing Forward 2* AgriMarketing Assurance Program in 2014–15, was completed. The evaluation found that the Canadian Integrated Food Safety Initiative program had helped to transform the overall environment in which the agriculture and agri-food sector operated, by assisting major components of the sector to develop or enhance their food safety systems. The evaluation recommended that the Department should complete a needs assessment to examine industry's future needs and priorities relating to assurance systems, to better inform its policy and programming decisions.

Sub-Program 1.2.5: Federal-Provincial-Territorial Cost-shared Market Development and Competitiveness

Description: This *Growing Forward 2* program provides support for provincial and territorial activities aimed at assisting the Canadian agriculture, agri-food and agri-based products sector in maintaining and creating market-based opportunities for individual farms and firms and providing industry with the knowledge and tools to compete at home and abroad. Specific provincial/territorial programs support the sector in identifying new domestic and global opportunities and markets that enhance competitiveness and prosperity as well as support the sector in its endeavours to prevent and control risks to the animal/plant resource base, provide safe food and meet new market demands for assurance.

This program uses funding from the following transfer payment(s): Contributions for Cost-Shared Strategic Initiatives programming in Competitiveness and Market Development under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
61,201,028	53,562,615	(7,638,413)

While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs have been rolled out in the first year and continue to come on line, program uptake has varied across programs resulting in underspending in some areas and overspending in others. Most of the unspent funding, however, is expected to be carried forward.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
7	6	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The sector is increasing its use of market-based knowledge and tools to increase market access	Cumulative number of assurance system/standard activity undertaken by agri-businesses under *Growing Forward 2* Federal-Provincial-Territorial Cost-shared Programming	13,200 by March 31, 2019	Progress to date indicates the target will be achieved
The sector is increasing its use of market-based knowledge and tools to increase market access	Percentage of clients who indicate that their participation in *Growing Forward 2* Cost-shared Programs allowed them to capture new markets	55 by March 31, 2019	Results will be available after the 2015–16 survey

Performance Analysis and Lessons Learned

While the target to achieve performance results is established for 2019, provincial and territorial results provided indicate, based on the first year of programming (2013–14), trade and market development activities are on track to meet the targets. A more informative picture of performance results will be made available in 2015–16 following the availability of results of the *Growing Forward 2*[xi] Client Impact Survey on Non-Business Risk Management Cost-Shared Programming. A complete picture of performance results will be available after March 31, 2019.

Sub-Program 1.2.6: Pest Management: Pesticides Minor Use Program

Description: This *Growing Forward 2* program improves grower access to new minor uses of pesticides. Pesticide residue, efficacy and crop tolerance studies are conducted to generate and to

inform regulatory data packages, which are submitted to Health Canada for new minor uses of pesticide products. In addition, collaborative work with colleagues in the United States results in joint pesticide submissions to the regulatory agencies of both countries and the simultaneous availability of new pesticide minor uses in both countries. The increased availability of new minor use pesticides prevents trade barriers with countries where these products are already available.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
10,265,090	8,749,396	(1,515,694)

Actual Spending was less than Planned Spending mainly due to limited contractor capacity.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
31	49	18

Actual Full-Time Equivalents are higher than Planned due to realignment among programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Regulatory submissions to Pest Management Regulatory Agency, Health Canada for new minor uses of pesticides	Number of submissions of packaged, research project information and data in support of regulated, minor use pesticides	40 by March 31, 2015	66

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada improves sector competitiveness through its efforts to provide much faster and higher quality data for regulatory submissions for new minor uses of pesticides, thereby helping give farmers the tools to protect their crops from pests, diseases and weeds. In 2014–15, the Department continued to help farmers to access new minor uses of pesticides, with 66 regulatory submissions to Health Canada's Pest Management Regulatory Agency. This support included, for example, testing of six herbicides to control weeds in hemp which has resulted in two solutions for this high-value crop that had previously lacked effective weed control.

Further, the Department's Pest Management Centre worked with its counterpart in the United States to further harmonize the protocols and procedures to collect data for regulatory submissions with regards to pesticides. These joint efforts are streamlining the data collection process and improving the sharing of data, facilitating evaluations by regulators of both countries, and ultimately making available pesticides simultaneously in Canada and the United States. This is also helping improve trade by eliminating trade barriers.

Sub-Program 1.2.7: Pest Management: Pesticides Risk Reduction Program

Description: Under the Pesticide Risk Reduction Program, Agriculture and Agri-Food Canada develops technologies, tools (including biopesticides), and techniques aimed at reducing the risk to the environment and human health posed by pesticide use. The increased availability of biopesticides and reduced risk technologies, products and techniques contributes to sustainable agriculture. Collaboration with counterparts at Health Canada assists with targeting reduced-risk alternatives to pesticides whose registration are being phased out due to toxicity.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,725,609	1,244,125	(1,481,484)

Actual Spending was lower than Planned Spending primarily due to a realignment among programs in response to shifting priorities.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
7	7	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased awareness of and access to safer pest management products and practices	Number of reduced-risk pest management tools developed and communicated to growers	5 by March 31, 2015	6

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada worked closely with the stakeholder community to continue to develop solutions to meet high-priority pesticide risk reduction issues. On-farm validation of proposed solutions with provincial experts and the grower communities has proven to be key to the successful uptake of integrated pest management tools and approaches.

A new cover crop decision tool[xxx] was made available on-line to assist vegetable growers with weed and pest management while improving soil health.

A new guide to *Field Crop and Forage Pests and Their Natural Enemies in Western Canada*[xxxi] was published, replacing an earlier guide developed in 1987. Plans were made to develop an application for the guide for use with mobile devices.

Ongoing field trials on row covers to fight against cabbage maggot in vegetable brassica production yielded good results in insect damage protection; this work began garnering interest within the grower community.

Sub-Program 1.2.8: Canadian Wheat Board Transition Costs Program

Description: The purpose of this Program is to reimburse specific costs incurred by the Canadian Wheat Board associated with its transition to a voluntary grain marketing organization, which it became on August 1, 2012. The Canadian Wheat Board Transition Costs Program will provide grant and contribution payments to the Canadian Wheat Board in order to cover cost items related to the removal of its single desk selling authority for Western Canadian wheat and barley. They include costs of right-sizing of the Canadian Wheat Board, such as settling the Canadian Wheat Board 's monopoly-era pension and benefits plans and some severance costs; legacy debts; the cost of mitigating or terminating long-term logistical contracts entered into during the Canadian Wheat Board 's monopoly; and other transition costs. This program provides grant and contribution payments to the Canadian Wheat Board of up to $349 million to cover cost items related to removing the single desk selling authority from the Canadian Wheat Board.

This program uses funding from the following transfer payment(s): Grant payments for the Canadian Wheat Board Transition Costs Program and Contribution payments for the Canadian Wheat Board Transition Costs Program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
30,399,662	28,263,345	(2,136,317)

Actual Spending was less than Planned Spending due to the uniqueness of the program elements, fluidity of commercialization timelines and program changes.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The Canadian Wheat Board is in a financial position to successfully privatize	Number of completed program elements for which the Canadian Wheat Board has received transition funding	9 by March 31, 2017	10

Performance Analysis and Lessons Learned

At the end of the reporting period, the Canadian Wheat Board Transition Costs Program was drawing to a close as the Canadian Wheat Board moved to commercialization. As of March 31, 2015, all program elements were completed with the exception of the Other Post-Employment Benefits program element which will be completed during the 2015–16 fiscal period to align with the commercialization timeline.

Sub-Program 1.2.9: Canadian Cattlemen's Association Legacy

Description: The Canadian Beef and Cattle Market Development Fund, also known as the Legacy Fund, was established in 2005 to recover and expand markets around the world for Canadian beef and cattle genetics. It is composed of $50 million invested by the Government of Canada, $30 million by the Alberta government, and is matched by national and provincial industry check-off funds for a total investment of $170 million over a 10-year period 2005–2015. It supports eligible export marketing activities completed through the national marketing organizations: Canada Beef Incorporated and Canadian Beef Breeds Council.

This program uses funding from the following transfer payment(s): (Statutory) Canadian Cattlemen's Association Legacy Fund.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,859,547	2,706,066	(153,481)

The Canadian Cattlemen's Association Legacy program sunset in 2014–15.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increase in beef exports in key markets	Beef exports to the United States (measured in metric tonnes)	361,113 by March 31, 2015	225,458
Increase in beef exports in key markets	Beef exports to Mexico (measured in metric tonnes)	73,634 by March 31, 2015	23,219
Increase in beef exports in key markets	Beef exports to Hong Kong/Macau (measured in metric tonnes)	6,678 by March 31, 2015	26,222

Performance Analysis and Lessons Learned

The 10-year Beef Legacy Fund, with contributions from the Governments of Canada and Alberta, and from the cattle and beef sectors, concluded its final year in 2014–15. The program proved an important resource to the beef industry, helping it recover from restrictions resulting from the discovery of bovine spongiform encephalopathy in the Canadian herd, the appreciation of the Canadian dollar, the 2008–09 economic recession, and the introduction of mandatory Country-of-Origin Labeling by the United States.

At the start of the program, the industry was heavily focussed on re-building export markets. However, as the sector and global market evolved, the beef industry merged its domestic and export marketing arms and national check-off agency into a single group. This has enabled not only a reduction in overhead costs but, more importantly, a consistent focus on developing the Canadian beef brand – "Canada Beef Advantage."

The challenges that faced the beef industry over the past 10 years resulted in a decline in cattle inventories, beef production and ultimately beef exports.

The Department's evaluation of the Beef Market Development Fund[xxxii] (Legacy Fund) concluded that the program played a significant role in increasing sales both domestically and abroad. The evaluation further found that the program helped to enhance the industry's marketing infrastructure and contributed to many strategies and tools, as well as knowledge. Lastly, it noted that program activities helped enable the industry to successfully shift its focus from volume to value.

Sub-Program 1.2.10: Control of Diseases in the Hog Industry – Phase 2

Description: Initiatives developed under Phase 2 of the initiative for the Control of Diseases in the Hog Industry, and delivered through the Canadian Swine Health Board, have and/or continue to promote industry awareness and contribute to the prosperity and stability of the Canadian hog sector. In the program's final year, activities under Control of Diseases in the Hog Industry – Phase 2 are focused on transitioning key initiatives, such as the Canadian Swine Health Intelligence Network, into a self-sustainable organization for the long-term benefit of the hog industry.

This program uses funding from the following transfer payment(s): Contribution payments for the Control of Diseases in the Hog Industry – Phase 2.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,000,000	652,461	(1,347,539)

The Canadian Swine Health Board delivered on its initiatives and were successful with its mandate. The planned activities for 2014–15 were completed at a lower cost than Planned Spending. The Control of Diseases in the Hog Industry initiative sunset in 2014–15.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
0	0	0

Full-Time Equivalents in support of this sub-program are shared and are reported under other sub-programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Prosperity and stability of the Canadian hog sector	Industry implements a self-sustaining model for animal health initiatives	1 by March 31, 2015	1

Performance Analysis and Lessons Learned

In the final year of the initiative for the Control of Diseases in the Hog Industry – Phase 2, the Department worked in collaboration with the Canadian Swine Health Board, to help ensure key activities developed under the initiative, such as a swine health surveillance network, will be maintained by the industry over the long-term.

The Board's final report indicates 2014–15 activities will: substantially reduce the risk of introducing disease to producer premises; provide comprehensive and timely disease information; and, ensure routine coordination of disease control actions on a national level. These results will provide a firmer basis for both disease risk management and risk communication throughout the hog industry among key stakeholders.

The Board and the Canadian Pork Council helped establish a national coordination role for the Council for swine health activities, supported by provincial producer associations.

In 2014–15, the Department completed an evaluation of the Control of Diseases in the Hog Industry[xxxiii]. Although no recommendations were made, the evaluation did identify best practices and lessons learned. Under Phase 2 of the initiative, the evaluation concluded that, although a comprehensive and structured risk-management framework had not been established for the Canadian hog sector as anticipated, as a result of progress made through the initiative, the hog industry is better prepared to face disease threats. The Canadian Swine Health Board model could be considered by the federal government in the design and delivery of future initiatives with similar objectives, to ensure their overall performance and long-term sustainability. In terms of lessons learned, future industry-led programs developed by the federal government could

include co-funding from industry and provincial stakeholders to ensure a broader diversity of funding sources and promote greater buy-in for shared priorities to support the sustainability of the program activities and improved efficiency from a federal perspective.

Program 1.3: Farm Products Council of Canada

Description: Established under the *Farm Products Agencies Act* , the Farm Products Council of Canada is an oversight body that reports to Parliament through the Minister of Agriculture and Agri-Food (the Minister). *Farm Products Agencies Act* provides for the creation of national marketing agencies, which are not subject to the *Competition Act*, as well as promotion-research agencies. The Farm Products Council of Canada supervises these agencies, and works with them to ensure that the supply management system for poultry and eggs and promotion-research activities for beef cattle work in the balanced interest of all stakeholders, from producers to consumers, and can evolve to respond to current and future challenges. The Farm Products Council of Canada also provides advice and recommendations to the Minister, collaborates with provincial supervisory boards and actively works with the Department and Agriculture and Agri-Food Portfolio organizations.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
2,483,404	2,483,404	3,635,003	3,032,055	548,651

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
22	25	3

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey is stable or increasing	The percentage of the domestic market supplied by Canadian producers of chicken	80 by March 31, 2015	84.9
The domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey is stable or increasing	The percentage of the domestic market supplied by Canadian producers of eggs	80 by March 31, 2015	86.3

The domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey is stable or increasing	The percentage of the domestic market supplied by Canadian producers of hatching eggs	80 by March 31, 2015	85.6
The domestic market share of Canadian producers of chicken, eggs, hatching eggs and turkey is stable or increasing	The percentage of the domestic market supplied by Canadian producers of turkey	80 by March 31, 2015	96.8
Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for chicken is within plus or minus 10 percentage points of the year-over-year price variation for other food items	10 by March 31, 2015	1.0 (All foods: 2.3%)
Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for eggs is within plus or minus 10 percentage points of the year-over-year price variation for other food items	10 by March 31, 2015	-0.1 (All foods: 2.3%)
Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for turkey is within plus or minus 10 percentage points of the year-over-year price variation for other food items	10 by March 31, 2015	-1.0 (All foods: 2.3%)
Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for chicken is within plus or minus five percentage points of the year-over-year price variation for other fresh or frozen meat	5 by March 31, 2015	1.0 (Pork: 12.7%, Beef: 13.6%)

Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for eggs is within plus or minus five percentage points of the year-over-year price variation for other fresh or frozen meat	5 by March 31, 2015	-0.1 (Pork: 12.7%, Beef: 13.6%)
Consumer price variations for chicken, eggs and turkey are more stable than those of beef and pork and their variation remains within plus or minus 10 percentage points of the price variations for other food items	The year-over-year consumer price variation for turkey is within plus or minus five percentage points of the year-over-year price variation for other fresh or frozen meat	5 by March 31, 2015	-1.0 (Pork: 12.7%, Beef: 13.6%)

Performance Analysis and Lessons Learned

The Farm Products Council of Canada[xxxiv] continued in 2014–15 to work with and supervise Canada Beef, Canadian Hatching Egg Producers, Chicken Farmers of Canada, Egg Farmers of Canada, and Turkey Farmers of Canada with due regard to the interests of producers and consumers of the regulated products.

During the reporting period, producers in the supply-managed sectors of poultry and egg industries maintained their relative domestic market share above the target 80% threshold and the domestic market shares for chicken, turkey and hatching eggs increased. The Consumer Price Index for chicken rose by 1.0%, while it decreased for eggs and turkey by -0.1% and -1.0% respectively. Not only were these variations smaller than that of the food Consumer Price Index in general (2.3%) and that of other fresh or frozen meat (Pork: 12.7%, Beef:13.6%), they were also lower than the respective four-year average of the three commodities (2.5%, 4.7% and 2.7%). Part of these decreases, or relatively small increase in the case of chicken, can be attributed to lower feed prices, the principal input cost in poultry and egg production.

Throughout 2014–15, the Farm Products Council of Canada developed its new 2015–2018 Strategic Plan. In addition to the Council's ongoing priorities, such as working with agencies to maintain and promote competitive supply management, as well as promotion and research systems, this Strategic Plan provides for a renewed emphasis on engaging with provincial supervisory boards, as well as to continuously improve reciprocal communications with all stakeholders. Also, the Council will continue to develop its internal expertise to bolster its understanding of the supply management, promotion and research system forces and mechanisms.

Strategic Outcome 2: An innovative and sustainable agriculture, agri-food and agri-based products sector

Sector innovation and sustainability include the development and commercialization of value-added agricultural-based products, knowledge-based production systems, processes and technologies, and equipping the sector with improved business and management skills and strategies to capture opportunities and to manage change. Such innovation and adaptability are vital for ongoing growth and improvement in the productivity, profitability and sustainability of Canada's agriculture, agri-food and agri-based products sector.

Program 2.1: Science, Innovation, Adoption, and Sustainability

Description: Agriculture and Agri-Food Canada contributes to innovation and sustainability of the agriculture, agri-food and agri-based products sector through science and associated activities designed to improve profitability in new and existing products, services, processes and markets. Agriculture and Agri-Food Canada provides research, development and knowledge transfer that enhances the sector's resiliency, fosters new areas of opportunity for the sector and supports sector competitiveness as well as coordinated and informed decision-making. Agriculture and Agri-Food Canada promotes integrated planning, engaging industry, government and academia, and collaborative action to accelerate the flow of science and technology along the innovation continuum in support of industry defined strategies for future success. Farmers, agri-entrepreneurs and agri-based enterprises are supported in their efforts to adopt new technologies and commercialize new products and services. Pathfinding and transformational research help to define future sustainable opportunities and prepare the sector for emerging opportunities and challenges.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
519,175,818	519,175,818	609,379,800	575,890,434	56,714,616

Actual Spending was higher than Planned Spending primarily due to amounts carried forward from 2013–14 and a realignment among programs in response to shifting priorities. While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs has been rolled out in the first year and continue to come on-line, program uptake has varied across programs resulting in underspending in some areas and overspending in others.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
2,466	2,441	(25)

Actual Full-Time Equivalents are lower than Planned primarily due to the realignment among programs and organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Agriculture and agri-food sector that utilizes science to improve agriculture's efficiency, increase availability of new products and contribute to the Canadian economy	Agriculture Net value-added (billions)	12.3 by March 31, 2018	13.9 (for the calendar year ended 2014) Note: Estimate is based on Agriculture and Agri-Food Canada calculation of Statistics Canada farm cash receipts and net income release

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada contributes to innovation and sustainability of the sector. In 2014–15, the Department continued to advance scientific knowledge, accelerate the pace of innovation, develop new technologies, and support the research and development to transform commodities into value-added products that address current and emerging issues. The Department focused its research and development on common, cross-cutting strategic objectives that represent the major scientific challenges facing 21st century agri-based production systems: increasing agricultural productivity; enhancing environmental performance; improving the attributes for food and non-food uses; and addressing threats to the value chain.

Research in genomics, biodiversity, sustainable agriculture, enhanced food attributes, and mitigation of threats to the food production system helped the sector to take advantage of emerging opportunities. The Department also conducted research and development on beneficial farm-management practices and knowledge transfer activities of scientific outputs to the sector. Research was undertaken both internally and externally with industry, universities and provincial governments, as well as with international collaborators.

Agriculture and Agri-Food Canada continued to support industry-led science activities through work by its researchers under *Growing Forward 2*[xi] Agri-Science Project and Agri-Science Clusters initiatives, as well as government contribution funding under innovation and adaptation programming. In 2014–15, 26 industry-led agreements were signed under the Agri-Science Project and Agri-Science Clusters initiatives.

For example, departmental researchers joined fellow researchers and students from the Universities of British Columbia, Calgary, Guelph, and Laval to develop an easy-to-use tool to assess and improve the comfort of dairy animals in tie-stall and free-stall barns. This tool can effectively help farmers make immediate changes to improve the well-being of their animals and ultimately their farms performance.

Through the AgriInnovation program's Enabling Commercialization and Adoption Stream[xxxv], Agriculture and Agri-Food Canada helped agricultural innovations move to the market. By the

end of 2014–15, 18 projects were approved and applications continued to be received from a broad range of sectors, including food processing, bioproducts, agri-technology, dairy, and beef.

Sub-Program 2.1.1: Science Supporting an Innovative and Sustainable Sector

Description: Agriculture and Agri-Food Canada conducts longer term core research and development work to advance the understanding of: the resource base upon which agriculture depends, threats to Canadian agriculture production, mechanisms to protect and conserve Canadian bioresources and genetic diversity, and future new opportunities for the sector. This program also maintains a strong network of world-class research centres and offices across the country with scientific expertise to meet the research needs of existing and emerging agricultural commodity groups, and to participate in collaborative partnerships with industry, academia, non-governmental organizations and others that undertake research aimed at yield enhancement, input reductions, prevention of diseases or pests, market access and risk mitigation, and development of new areas of opportunity for the sector.

This program uses funding from the following transfer payment(s): Grants to foreign recipients for participation in international organizations supporting agriculture.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
207,733,200	253,443,890	45,710,690

Actual Spending was higher than Planned Spending primarily due to amounts carried forward from 2013–14 and a realignment among programs in response to shifting priorities.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
1,747	1,689	(58)

Actual Full-Time Equivalents are lower than Planned primarily due to the realignment among Programs and the organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Knowledge advances the understanding of the resource base upon which agriculture depends, threats to Canadian agriculture production, mechanisms to protect and conserve Canadian bioresources and	Number of peer reviewed publications and technical project reports produced for research projects conducted under this activity	300 by March 31, 2015	336

genetic diversity, and efficient integrated production systems			

Performance Analysis and Lessons Learned

Agriculture and Agri-Food Canada focuses its research and development on common, cross-cutting strategic objectives of: increasing agricultural productivity; enhancing environmental performance; improving attributes for food and non-food uses; and addressing threats to the value chain. In 2014–15, the Department initiated 101 new science projects under Science Supporting an Innovative and Sustainable Sector, in addition to its 249 ongoing science projects. All projects are aligned to sector strategies and will help achieve the aforementioned four strategic objectives. Further, 40 new projects were selected for 2015–16.

The results of these projects provide new knowledge and technology products, processes, databases, information, and genetic materials in support of the strategic objectives. During 2014–15, the Department met its target of knowledge development through 336 peer-reviewed publications and technical project reports that furthered the understanding of the resource base upon which agriculture depends, threats to Canadian agriculture production, mechanisms to protect and conserve Canadian bio-resources and genetic diversity, and efficient integrated production systems. This information advances the frontiers of innovation by generating new opportunities and innovative solutions, while accelerating the pace of sector innovation.

Genomics is an example of an important field of research for the agriculture, agri-food and agri-products sector. Through genomics research, scientists can better understand basic plant and animal functions, find genes responsible for particular traits, and develop molecular markers. Genomics research benefits farmers by increasing crop yields and improving resistance to diseases and pests. It also benefits consumers by meeting demands for sustainable food production. For example, in 2014–15, departmental researchers advanced ongoing work to protect crops from a fungal disease called fusarium head blight, one of the most destructive diseases of cereals crops around the world. This disease impacts producers' profitability through reduced grain yield and quality. In North America, it causes losses in excess of $1 billion annually. Using genomic tools, researchers have successfully sequenced the genomes of fusarium head blight strains to help understand how this fungus adapts to diverse plants in Canadian environments. This research is leading to new cereal cultivars resistant to multiple fusarium head blight.

Other examples of the ways in which Agriculture and Agri-Food Canada science is working on behalf of farmers, processors and consumers at home and abroad are available on the Science Publications and Resources webpage[xxxvi].

Further, in 2014–15, Agriculture and Agri-Food Canada continued to protect its national collections of biological materials to provide fundamental knowledge and materials for the conduct of research in support of agricultural productivity and sustainability, trade opportunity and addressing threats to the value chain. Plant Gene Resources of Canada[xxxvii], the country's

national gene seed bank managed by the Department, put continued emphasis on regenerating germplasm of wild relatives to crops like barley, oat, wheat, and chickpea.

In cultivated wheat, Plant Gene Resources of Canada planted 500 seed samples (accessions) in the field and 80 in the greenhouse. In cooperation with the University of Saskatchewan, 2000 Plant Gene Resources of Canada wheat samples were screened for resistance to diseases such as stem rust, leaf rust, leaf spot, and fusarium head blight. Data was collected and stored in digitized form along with photographs of wheat heads of 1800 samples.

Sub-Program 2.1.2: Research Accelerating Innovation

Description: This *Growing Forward 2* program is designed to address emerging science-based requirements of the Canadian agriculture, agri-food and agri-based products sector by generating and providing access to scientific knowledge that helps the industry to: identify and mitigate risks to agriculture and agri-food production; enhance the safety of the food system; sustainably increase its productivity to improve its bottom line through more efficient use of inputs; enhance the resilience of the sector to a changing climate; and to capture market opportunities. Objectives of this program include: conduct innovative research to understand key challenges and opportunities facing the sector; transform scientific knowledge into agricultural products, processes and practices that improve competitiveness; promote research to understand the key environmental sustainability challenges facing Canadian farmers; encourage the transformation of scientific knowledge into agricultural practices that improve the environmental sustainability and profitability of farming operations; support scientific measurement and analysis of the environmental sustainability performance of the sector that will facilitate competitiveness; and work with industry to target Agriculture and Agri-Food Canada efforts towards key business risks and opportunities.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
88,928,621	94,980,417	6,051,796

Actual Spending was higher than Planned Spending primarily due to a realignment among programs in response to shifting priorities and amounts carried forward from 2013–14.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
544	534	(10)

Actual Full-Time Equivalents are lower than Planned primarily due to the realignment among Programs and the organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
New products, processes and technologies are available for transfer to the sector that are relevant to: the minimization of catastrophic threats to crops; the optimization of livestock efficiencies; and to the health and safety of food	Number of new products, processes, and technologies available for transfer to stakeholders	51 by March 31, 2018	39 (over the period of April 1, 2013 to March 31, 2015)

Performance Analysis and Lessons Learned

Research projects continued to help identify and mitigate risks associated with agriculture and agri-food production, and transform scientific knowledge into agricultural products, processes and practices that improve the sector's competitiveness, profitability and sustainability. Over 2014–15, the Department initiated 12 new science projects under this sub-program activity, adding to its 137 ongoing projects. Further, the 2014–15 call for new proposals led to the selection of eight new projects that will be initiated over 2015–16.

With 39 new technologies, processes or products reported to date, the program is well on its way to reaching its target of 51 by March 31, 2018.

For example, through the Research Accelerating Innovation initiative, departmental researchers are developing new ways to more rapidly and reliably detect and enumerate live E.coli bacteria that can contaminate meat and cause food poisoning. Current testing methods cannot differentiate between live and dead E.coli. As only live bacteria poses a health risk, the ability to differentiate between the live and dead bacteria allows researchers to detect whether or not there is a risk of contamination, and if decontamination has been effective in killing the bacteria.

A second example, the monitoring of phosphorus and calcium absorption improvement in pig production through nutrigenomics is helping to reduce both production costs and the potential environmental impact from residual nutrients getting into surface and groundwater.

Sub-Program 2.1.3: Research, Development and Knowledge Transfer

Description: The objective of industry-led Research and Development and Knowledge Transfer under *Growing Forward 2* is to accelerate the pace of innovation in the sector by supporting industry-led research, development and knowledge creation and transfer activities of innovative agricultural products, technologies, practices, processes and services in the agriculture, agri-food

and agri-based products sector to increase market opportunities, foster innovation, industry investment and leadership. This program provides non-repayable contributions to recipients and research support for Agriculture and Agri-Food Canada pay and non-pay operating funds to conduct approved applied science activities in support of a project.

This program uses funding from the following transfer payment(s): Contribution payments for the AgriInnovation program under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
89,369,126	72,422,289	(16,946,837)

Actual Spending was lower than Planned Spending primarily due to a realignment among programs in response to shifting priorities. In addition, some of the unspent funding was carried forward to 2015–16.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
151	193	42

Actual Full-Time Equivalents are higher than Planned primarily due to the realignment among programs.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Sector has additional capacity to develop knowledge and technologies	Number of newly trained, highly qualified personnel in the sector from 2013 to 2018 under industry-led research and development, and Knowledge Transfer (Stream B) of the AgriInnovation program	260 by March 31, 2018	48 Progress to date indicates the target will be achieved
The sector develops or advances knowledge and technologies for industry uptake for commercialization or adoption	Number of peer reviewed scientific publications in the sector from 2013 to 2018 under industry-led research and development, and Knowledge Transfer (Stream B) of the AgriInnovation program	339 by March 31, 2018	474

Performance Analysis and Lessons Learned

The sub-program aims to build sector capacity to accelerate the pace of innovation. By the end of the reporting period, 48 students had completed their Masters or Ph.D. degrees in various science

disciplines. It is expected that the majority of students working on projects will obtain their degrees in the two years prior to the target date of March 31, 2018. Based on progress so far, the program is on track to achieve the target.

This sub-program also supports activities that generate new information, which is demonstrated by the production of peer-reviewed scientific publications. At the end of March 2015, 474 peer-reviewed publications were produced and shared. As the program is expected to surpass the original target of 339, the target has been increased for the next reporting period.

Support is provided to a variety of agri-science clusters and agri-science projects. Agri-science clusters assemble scientific expertise from industry, academia and government that together address multiple priorities in a sector's science plan. There are 14 agri-science clusters: barley, canola, pulse, beef, field crops, dairy, western grains (wheat), poultry, swine, horticulture, and ornamental horticulture, including horizontal clusters for organics, food processing and bioproducts.

Agri-science projects are now more focussed than in the past, with either national, regional or local implications. To date, 65 agri-science projects are underway. For example, the *Centre de recherche, de développement et de transfert technologique acéricole inc.* (ACER Centre) continues to provide accurate assurance to consumers of the high quality of Canadian maple syrup. Over the years, the ACER Centre has explored new technological avenues to improve the quality and purity control processes and support the work of maple syrup inspectors. The program is providing both financial and collaborative support to the continued refinement and testing, at various inspection sites, of a tool that rapidly and effectively authenticates the quality of maple syrup. The maple syrup industry will soon be able to fully automate its quality control system.

Complementary to the knowledge transfer activities that occur within agri-science clusters and agri-science projects, this program also includes similar activities by Agriculture and Agri-Food Canada. Through this sub-program, the Department transfers innovative ideas, tools and practices that are regionally relevant and commodity-specific through demonstration sites, field days, organized tours, and participation in industry events.

Sub-Program 2.1.4: Enabling Commercialization and Adoption

Description: The objective of Enabling Commercialization and Adoption under *Growing Forward 2* is to accelerate the demonstration, commercialization and/or adoption of innovative agri-based products, technologies, processes, or services to increase sector competitiveness across the value chain. This program provides repayable contributions for industry-led, agri-based commercialization and adoption projects as well as demonstration projects aimed at facilitating the commercialization or adoption of agri-innovations. Funding is provided for activities that could include capital costs such as construction, purchasing and installing equipment, as well as marketing, and skills development, contracted services and labour. Eligible recipients are for-profit organizations.

This program uses funding from the following transfer payment(s): Contribution payments for the AgriInnovation program under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
26,702,238	33,696,875	6,994,637

Actual Spending was higher than Planned Spending due to a realignment among programs in response to shifting priorities.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
13	12	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Sector has access to government and private investment capital to support demonstration, commercialization and adoption of innovative technologies, processes, products and services	Dollar value of private sector investments under Enabling Commercialisation and Adoption (Stream C) of the AgriInnovation program from 2013 to 2018 (millions)	118.5 by March 31, 2018	63.7 Progress to date indicates the target will be achieved
The sector develops the capacity to commercialize products, processes or services	Number of innovative products, technologies, processes or services supported by the program that enter the market under Enabling Commercialisation and Adoption (Stream C) of the AgriInnovation program from 2013 to 2018	54 by March 31, 2018	1 Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

The Enabling Commercialization and Adoption program remains on track to reach its five-year target of $118.5 million in both private-sector and government investment in agricultural innovation. Contribution agreements under the program help to reduce the financial risk associated with late-stage commercialization activities which, in turn, help recipients secure additional private financing for continued investment in innovation. Full results have not yet been realized, however, by the end of 2014–15, 18 projects had been approved and were either in progress or had been completed, representing an investment of almost $63.7 million in agricultural innovation.

For example, the program is supporting the commercialization efforts of BioAmber Sarnia Inc. with a $10 million repayable contribution for the construction of a new facility in Sarnia, Ontario. The company has developed a process for producing bio-based succinic acid from corn sugar, as an alternative to petroleum-based production. Succinic acid is a chemical that can be used in a broad range of markets, from high-value niche applications such as personal care products and food additives, to large-volume applications such as plasticizers, resins and coatings. The facility, which will be able to produce 30,000 metric tonnes of succinic acid annually, is on course to begin production within the next year.

Sub-Program 2.1.5: Federal-Provincial-Territorial Cost-shared Research, Adoption and Commercialization

Description: This *Growing Forward 2* program provides funding for provincial and territorial activities aimed at accelerating the pace of innovation in the Canadian agriculture, agri-food and agri-based products sector. The programming supports Research and Development activities and facilitates demonstration and commercialization in order to enhance the productivity, competitiveness, economic growth, and adaptability of the sector, and assists in capturing opportunities for the sector in domestic and global markets.

This program uses funding from the following transfer payment(s): Contributions for Cost-Shared Strategic Initiatives programming in Innovation under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
63,718,708	83,060,684	19,341,976

While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs have been rolled out in the first year and continue to come on-line, program uptake has varied across programs resulting in underspending in some areas and overspending in others.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
9	7	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The sector/industry has access to new agri-related products, practices and technology	Cumulative number of new products/ technologies/practices/ processes evaluated, assessed, and/or demonstrated under *Growing Forward 2* Federal-Provincial-Territorial Cost-shared programming	1,300 by March 31, 2019	Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

While the target to achieve performance results is established for 2019, provincial and territorial results indicate, based on the first year of programming (2013–14), Research, Adoption and Commercialization activities are on track to meet the targets. A more informative picture of performance results will be made available in 2015–16 following the *Growing Forward 2*[xi] Client Impact Survey on Non-Business Risk Management Cost-Shared Programming. A complete picture of performance results will be available after March 31, 2019.

Sub-Program 2.1.6: Federal-Provincial-Territorial Cost-shared Environment

Description: This *Growing Forward 2* program provides support for provincial and territorial activities aimed at supporting the Canadian agriculture, agri-food and agri-based sector and its businesses to assess and respond to priority environmental risks and manage the natural resource base sustainably. The programming is mainly designed to minimize and mitigate impacts and risks to the environment by maintaining or improving the quality of soil, water, air, and biodiversity; ensuring the long-term health and sustainability of natural resources used for agricultural production and, supporting the long-term economic and environmental viability of the agriculture industry.

This program uses funding from the following transfer payment(s): Contributions for Cost-Shared Strategic Initiatives programming in Innovation under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
37,005,525	33,414,671	(3,590,854)

While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs has been rolled out in the first year and continue to come on-line, program uptake has varied across programs resulting in underspending in some areas and overspending in others. Most of the unspent funding, however, is expected to be carried forward.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
0	2	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The sector/industry is taking actions to minimize environmental risks and using inputs efficiently	Cumulative number of Beneficial Management Practices implemented under *Growing Forward 2* Federal-Provincial-	14,600 by March 31, 2019	2014–15: provincial and territorial annual performance data for this reporting period will be available in 2015–16

	Territorial Cost-shared programming		2013–14: 4,187 Beneficial Management Practices have been reported, representing over 28% of the cumulative performance target expected by March 31, 2019

Performance Analysis and Lessons Learned

While the target to achieve performance results is established for 2019, provincial and territorial results indicate, based on the first year of programming (2013–14), cost-shared environment activities are on track to meet the targets. A more informative picture of performance results will be made available in 2015–16 following the *Growing Forward 2*[xi] Client Impact Survey on Non-Business Risk Management Cost-Shared Programming. A complete picture of performance results will be available after March 31, 2019.

Sub-Program 2.1.7: Agricultural Greenhouse Gases

Description: The Agricultural Greenhouse Gases program provides contribution funding to partners from the agriculture industry, governments and academia for projects to undertake research on greenhouse gas mitigation and make new mitigation technologies and Beneficial Management Practices available to farmers. The Agricultural Greenhouse Gases program represents Canada's contribution to the Global Research Alliance on agricultural greenhouse gases, an international alliance aimed at increasing collaboration in agricultural research on greenhouse gas mitigation and Beneficial Management Practices.

This program uses funding from the following transfer payment(s): Contributions in support of the Agricultural Greenhouse Gases program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
5,718,400	4,871,608	(846,792)

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
2	4	2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Greenhouse Gas mitigation information and technologies are made available to farmers	Number of new Beneficial Management Practices demonstrated through field days and workshops under the Agricultural Greenhouse Gases program from 2011 to 2016	12 by March 31, 2016	12

Performance Analysis and Lessons Learned

The Agricultural Greenhouse Gases program[xxxviii] has supported the development and demonstration of 12 new Beneficial Management Practices and is expecting to exceed its target. The program has 18 approved projects to date.

As an example, the University of British Columbia is investigating several major processes involving mulch turnover and greenhouse gases in irrigated production systems in southern British Columbia. Over the past year, the University made presentations to more than 80 producers who are looking for ways to reduce their carbon and water footprint for both environmental and marketing reasons. Producers and marketers are responding to international pressure to produce foods with a much smaller environmental footprint. The results of this project could help producers and processors, specifically fruit producers and wineries, respond to this competitive pressure.

Since the beginning of the program, universities and research institutes have reported that more than 7,163 interested parties have participated in field days and workshops on new Beneficial Management Practices and technologies to mitigate greenhouse gas emissions.

The Department completed its evaluation of the Agricultural Greenhouse Gases program[xxxix] in 2014. The evaluation found the program is achieving its expected outputs through scoping studies, technology transfer and research plans, formal and informal collaborative arrangements, papers, journal articles, presentations, information products, and technical studies. Immediate outcomes are being achieved by developing, verifying and validating new greenhouse gas mitigation information and technologies, and by producing technology transfer methodologies and approaches for farmers. Finally, progress on the intermediate outcome is also being achieved by making greenhouse gas mitigation information and technologies available to farmers.

Program 2.2: Industry Capacity

Description: This program builds capacity of the sector and businesses to sustainably succeed in a market-driven and competitive world. The program encourages the use of sound business management practices, while also enabling businesses in the sector to understand their financial

situation, be profitable and invest where needed. It provides for enhanced participation by young or new entrants, First Nations clients, and clients in specific sub-sectors in transition. The program also supports the sector and its businesses to improve access to key infrastructure.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
72,190,745	72,190,745	88,993,343	76,204,095	4,013,350

Actual Spending is higher than Planned Spending largely due to the costs associated with the transfer of Echo Lake water control structure to the Province of Saskatchewan offset by the lower spending for the Canadian Agricultural Adaptation program. As a restructured program in its first year, the number of applications for Canadian Agricultural Adaptation program has been low but more applications and approved projects are expected next fiscal year.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
231	227	(4)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The sector is increasing its ability to be resilient and self-sustaining	Maintain and/or increase the percentage of farms with high free cash flow	55 by March 31, 2028	58 Source: Statistics Canada, Farm Financial Survey 2013 and Agriculture and Agri-Food Canada calculations Note: Free cash flow represents available cash after paying farm business expenses including farm debt

Performance Analysis and Lessons Learned

In 2014–15, Agriculture and Agri-Food Canada continued to encourage sound business management practices and help participating farmers and agri-businesses better understand their financial situations, be profitable and invest where needed. For example, through Fostering Business Development stream[xi] and Farm Debt Mediation Service[xii], the Industry Capacity program helped enhance participants' financial management.

Sub-Program 2.2.1: Farm Debt Mediation Service

Description: Pursuant to the *Farm Debt Mediation Act*, Agriculture and Agri-Food Canada delivers the Farm Debt Mediation Service which provides financial counselling and mediation services to farmers who are having difficulty meeting their financial obligations. A financial consultant conducts a financial review of the operation and prepares a recovery plan. Professional mediators help the farmer and his or her creditors to reach a mutually satisfactory financial arrangement. A stay of proceedings may be put in place to protect the farmer against recovery or seizure of assets. To be eligible, clients must be insolvent individuals, corporations, partnerships, co-operatives, or other associations of persons engaged in farming for commercial purposes. This program receives funding as per the *Farm Debt Mediation Act*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
3,045,711	2,527,792	(517,919)

Farm Debt Mediation Services is a demand-driven program based on participants' individual financial situations and whether or not they seek mediation services.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
12	12	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased agreement between insolvent farmers and their creditors on financial recovery measures	Percentage of completed applications that resulted in signed arrangements between farmers and creditors	80 by March 31, 2015	75

Performance Analysis and Lessons Learned

Actual results were within 5% of the target. Results were calculated using a three-year rolling average based on the years 2012–13, 2013–14 and 2014–15.

The percentage of signed arrangements varies on an annual basis. For example, in 2013–14, 78% of applications resulted in signed arrangements between producers and their creditors, an increase from 73% in 2012–13. Several factors impact the number of applications received, and the probability of reaching signed arrangements with creditors. These factors include: how long farmers wait to apply, the applicants' financial management skills, low commodity prices, crop failure, and animal-disease outbreaks.

Sub-Program 2.2.2: Fostering Business Development

Description: This *Growing Forward 2* program builds awareness of the benefits and encourages the use of sound business management practices, while also enabling businesses in the sector to be profitable and invest where needed. It funds activities related to business management practices and skills that strengthen the capacity of businesses in the sector to: assess the financial implications of business improvements; respond to change and adapt; help agri-business owners understand their financial situation; and provide for enhanced participation by young or new entrants.

This program uses funding from the following transfer payment(s): Contribution payments for the AgriCompetitiveness program under *Growing Forward 2*, and Contributions under the Career Focus program – Youth Employment Strategy.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
4,956,314	4,797,424	(158,890)

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
11	12	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Individual producers and agri-business clients implement changes to their business	Percentage of farmers planning to expand or diversify in the next five years	60 by March 31, 2018	Progress to date indicates the target will be achieved
Increased supply of highly qualified people in the labour market in the area of agriculture	Percentage of interns in the Career Focus program who secure a permanent position in the area of agriculture	75 by March 31, 2018	58

Performance Analysis and Lessons Learned

The Fostering Business Development[xi] program remains on track to meet its March 31, 2018 targets through ongoing contribution agreements with five national not-for-profit organizations, including Farm Management Canada, to support projects designed to enhance entrepreneurial skills, tools and knowledge. In 2014–15, Farm Management Canada conducted a survey with a sample of its participants and received 445 farmer responses. Results of this survey show that 82% of participants were implementing changes to their operations to improve business management practices.

Agriculture and Agri-Food Canada is among several departments that deliver the Career Focus program[xlii], a stream of the Youth Employment Strategy. The program is on track to meet its target of interns securing a permanent position in the areas of agriculture based on the results of the Youth Employment Strategy evaluation led by Employment and Social Development Canada between 2011 and 2014. The evaluation shows that 97% of responding Career Focus participants had found employment after their involvement in the program. Among these, 58% had found full-time employment since their program work experience, 13% had found part-time employment and 26% had found both full-time and part-time employment. A large majority of participants who had found employment attributed the program with helping them get their jobs. Overall 40% felt the program had a "large impact" in helping them secure jobs, while another 28% felt it had "some impact." Only 19% felt it had "no impact." Another indicator of the program's success is the percentage of responding participants who remained employed with their work-placement employer. Overall, 49% of respondents reported that they continued working for the same employer once the program ended.

The Department completed an evaluation of the Fostering Business Development program[xliii] in 2014–15. The evaluation concluded that the program, through the funded national organizations, contributes to addressing ongoing agricultural sector needs for business development, including those relating to business and risk management, human resource management, workplace health and safety, and leadership. The evaluation recommended that the Department examine the program's performance measures to further clarify, strengthen and better capture its value.

Sub-Program 2.2.3: Federal-Provincial-Territorial Cost-shared Adaptability and Industry Capacity

Description: This *Growing Forward 2* program provides support for provincial and territorial activities aimed at building capacity within the Canadian agriculture, agri-food and agri-based products sector and its businesses to sustainably succeed in a market-driven and competitive world. These activities mainly focus on encouraging the use of sound business management practices and tools, while providing for enhanced participation by young or new entrants and clients in specific sub-sectors in transition; supporting the sector and its businesses to improve access to key infrastructure; and building leadership within the sector.

This program uses funding from the following transfer payment(s): Contributions for Cost-Shared Strategic Initiatives programming in Adaptability and Industry Capacity under *Growing Forward 2*.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
45,074,739	42,979,237	(2,095,502)

While provincial and territorial spending in the second year of *Growing Forward 2* has increased as the majority of new programs have been rolled out in the first year and continue to come on-line, program uptake has varied across programs resulting in underspending in some areas and overspending in others. Most of the unspent funding, however, is expected to be carried forward.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
4	4	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
The sector/industry is increasing its adoption of business management and strategic risk management practices and tools	Percentage of farmers optimistic that their net farm income will remain stable or increase in the next five years	79 by March 31, 2019	Results will be available after the 2015–16 survey
The sector/industry is increasing production capacity	Cumulative number of acres supported by infrastructure programming under *Growing Forward 2* Federal-Provincial-Territorial Cost-shared programming	61,900 by March 31, 2019	Progress to date indicates the target will be achieved

Performance Analysis and Lessons Learned

While the target to achieve performance results is established for 2019, results provided by provinces and territories indicate that, based on the first year of programming (2013–14), adaptability and industry capacity activities are on track to meet the targets. A more informative picture of performance results will be made available in 2015–16 following the availability of results of the *Growing Forward 2*[xi] Client Impact Survey on Non-Business Risk Management Cost-Shared Programming. A complete picture of performance results will be available after March 31, 2019.

Sub-Program 2.2.4: Community Pastures

Description: Community Pastures enhances the sustainability of prairie rangeland for agriculture through livestock production. This work includes managing prairie rangeland to serve livestock producers and provide grazing for livestock.

Budgetary Financial Resources (dollars)

	2014–15 Planned Spending/ Revenue	2014–15 Actual Spending/ Revenue	2014–15 Difference (actual minus planned)
Gross Spending	21,800,000	20,200,763	(1,599,237)
Less:Respendable Revenue	21,800,000	20,290,052	(1,509,948)
Net Spending	0	(89,289)	(89,289)

The Community Pastures program is funded through Vote-Netted Revenue. The Community Pastures program will wind down by 2017–18.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
153	152	(1)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Environmentally responsible land use and practices for the management of a multi-use, productive, and bio-diverse rangeland	Range health rated as "good" or "excellent" for at least 85% of Community Pastures program lands	85 by March 31, 2015	85

Performance Analysis and Lessons Learned

Sustainable grazing levels have been established for each community pasture. Livestock carrying capacities for each pasture are a product of the number of acres of forage, how much forage is produced and the optimal forage carry-over into future years to mitigate drought. The 2013 and 2014 grazing seasons were average grazing years with total grazing days about the annual average range of the past 10 years (135 days per cow). Carrying capacities across the pastures were not exceeded, which means range-health indicators were at or above the baseline of 85%.

Following the Budget 2012 decision to wind down the Community Pastures program[xliv] and divest the 85 pastures over a six-year period, federal management of community pastures ceased at 21 of 85 pastures in 2013–14. In 2014–15, 14 more pastures were divested in Saskatchewan and Manitoba.

Sub-Program 2.2.5: Water Infrastructure

Description: Water Infrastructure is the management and operation of federally owned water structures in southern Saskatchewan. This program was established to ensure sound asset-management of Agriculture and Agri-Food Canada's 33[1] dams and five irrigation projects

while ensuring that the responsibility for public safety and water delivery obligations to irrigators, local and/or regional communities, and international obligations were met. Dams and water conveyance structures serve the agriculture and rural communities by providing irrigation, recreation, community supplies and livestock watering. Agriculture and Agri-Food Canada's flood irrigation projects provide water to 250 patrons on 8,200 hectares of land.

[1]At the end of the reporting period, the Department was responsible for 29 dams.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
3,223,310	18,087,049	14,863,739

Actual Spending is higher than Planned Spending largely due to the costs associated with the transfer of Echo Lake water control structure to the Province of Saskatchewan.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
36	34	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Water storage infrastructure is operationally safe and downstream risks are kept as low as reasonably practical	Number of dam safety reviews for Agriculture and Agri-Food Canada high/very high consequence dams, which are conducted in compliance with the Canadian Dam Association's *Dam Safety Guidelines*, are provided to Agriculture and Agri-Food Canada within agreed timelines	4 by March 31, 2015	4

Performance Analysis and Lessons Learned

In the reporting period, the Department further implemented the Transfer Agreement with the Water Security Agency in Saskatchewan to transfer the Echo Lake water control structure to the province. Four safety reviews were conducted and corrective measures will be implemented.

Sub-Program 2.2.6: Churchill Port Utilisation Program

Description: The Program provides grant payments to legal entities, including the new voluntary Canadian Wheat Board, that arrange for the shipment of grain, outward, by ocean-going vessel, from the Port of Churchill. As the Canadian Wheat Board used the Churchill port regularly,

this program will facilitate the transition to a new marketing model as it provides the time needed to establish increased diversification in the Port of Churchill. Assistance under this federally delivered program is up to $4.6 million per year for up to 500,000 tonnes of grain. Total assistance is up to $23 million. This five year program ends on March 31, 2017.

This Program uses funding from the following transfer payment(s): Grant payments for the Churchill Port Utilisation Program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
4,849,270	4,585,371	(263,899)

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
0	0	0

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Grain shipments through the Port are maintained	Number of tonnes of grains shipped per year from 2012 to 2017 under the Churchill Port Utilisation Program	500,000 by March 31, 2017	530,311

Performance Analysis and Lessons Learned

The Churchill Port Utilisation Program[xlv] was successful in both maintaining historical levels of grain shipments, based on the average from 2005-2010 (500,000 tonnes), and helping to diversify the Port's customer base. The 2014 shipping season saw 530,311 tonnes shipped through the Port, of which 498,410 tonnes were supported directly by the Program. While fewer tonnes were shipped in 2014 compared to 2013, the Program did fulfill its objective to help maintain historical levels. Certain logistical challenges during the 2014 shipping season, in particular two derailments on the only rail line to the Port of Churchill, resulted in lost time during the shipping season. Four companies used the Port in 2014, three repeat customers plus one new customer. In addition to the expanded client base, there has also been some diversification in the types of grain being shipped through the Port. Shipments of canola took place in each year of the program, joining wheat shipments.

A 2014–15 survey of recipients indicated satisfaction with the Program.

Sub-Program 2.2.7: Canadian Agricultural Adaptation Program

Description: The objective of the Canadian Agricultural Adaptation Program is to facilitate the agriculture, agri-food and agri-based products sector's ability to seize opportunities, to respond to new and emerging issues and to pathfind and/or pilot solutions to new and ongoing issues in order to help it adapt and remain competitive.

This Program uses funding from the following transfer payment(s): Contributions to support Canadian Agricultural Adaptation Program.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
11,041,401	3,316,511	(7,724,890)

As a restructured program in its first year, the number of applications for Canadian Agricultural Adaptation program has been low but more applications and approved projects are expected next fiscal year.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
15	13	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Sector develops strategies to respond to urgent and/or critical issues	Number of strategies to respond to urgent and/or critical issues developed by sector from 2014 to 2019	30 by March 31, 2019	0
Sector develops tools to adapt to changing circumstances	Number of adaptive tools developed by sector from 2014 to 2019	30 by March 31, 2019	3

Performance Analysis and Lessons Learned

The Canadian Agricultural Adaptation Program[xlvi] was launched in May 2014, and represents an updated version of the Department's adaptation programming. The Program complements *Growing Forward 2*[xi] programming and provides flexibility to support national or sector-wide projects for the agriculture, agri-food and agri-based products sector to address areas of concern and to respond to urgent unforeseen issues.

As a restructured Program in its first year, the number of projects approved was low but approvals are expected to increase over the next reporting period. Administrators are engaged with the sector to promote the Program.

One project, approved in 2014–15, will assist the Canadian International Grains Institute to examine pulse flours produced by roller milling. Innovative technology and pre- and post-milling techniques for producing pulse flour for food products are expected to ultimately increase the global market share for Canadian pulses. Illustrative of how innovation requires time, this project builds on the successful work under the previous version of the Program when the Institute examined several milling techniques before determining that roller milling had the most potential.

The Department completed an evaluation of Agriculture and Agri-Food Canada's Innovation and Adaption Program[xlvii] in February 2013 and included in its scope the national component of the previous adaptation program. The evaluation found, among other things, that the Program provided the sector with the opportunity to focus on innovation directed at responses to occasional or unusual events, such as disease outbreaks, and assisting sectors to adapt through capacity building and knowledge transfer.

Program 2.3: Canadian Pari-Mutuel Agency

Description: Section 204 of the *Criminal Code of Canada* designates the Minister of Agriculture and Agri-Food as the individual responsible for the policy and regulatory functions pertaining to pari-mutuel wagering on horse races. The Canadian Pari-Mutuel Agency is a special operating agency within Agriculture and Agri-Food Canada that regulates and supervises pari-mutuel betting on horse racing at racetracks across Canada, with the objective of ensuring that pari-mutuel betting is conducted in a way that is fair to the betting public. Costs associated with the activities of the Canadian Pari-Mutuel Agency are recovered through a levy on every dollar bet in Canada on horse races. The levy is currently set at eight-tenths of a cent of every dollar bet. Canadian Pari-Mutuel Agency's strategic plans are focused on regulating and supervising pari-mutuel wagering on horse races in the most modern, effective and transparent manner.

Budgetary Financial Resources (dollars)

	2014–15 Main Estimates	2014–15 Planned/ Revenue Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
Gross Spending	9,014,000	9,014,000	16,403,425	7,908,240	(1,105,760)
Less: Respendable Revenue	8,980,000	8,980,000	8,980,000	10,141,331	1,161,331
Net Spending	34,000	34,000	7,423,425	(2,233,091)	(2,267,091)

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
33	34	1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Pari-mutuel betting is conducted in a way that is fair to the Canadian betting public	Percentage of compliance with the *Pari-Mutuel Betting Supervision Regulations* of Canadian racetracks and betting theatres inspected by Canadian Pari-Mutuel Agency officers	100 by March 31, 2015	100 (There are no outstanding issues of regulatory non-compliance for any pari-mutuel operator licensed by the Canadian Pari-Mutuel Agency)

Performance Analysis and Lessons Learned

The Canadian Pari-Mutuel Agency[v] helped ensure pari-mutuel betting activities conducted at racetracks and betting theatres across Canada complied with the *Pari-Mutuel Betting Supervision Regulations*[xlviii] and policies.

The Agency continued to provide equine drug control programs at racetracks so race outcomes were not influenced by the inappropriate administration of drugs or medications to race horses.

The federal levy on pari-mutuel betting of approximately $10.1 million for 2014–15 supported the Canadian Pari-Mutuel Agency's operating budget.

Program 3.1: Internal Services

Description: Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
150,473,375	150,473,375	165,317,496	164,270,556	13,797,181

Differences in financial resources are primarily due to amounts carried forward from 2013–14 and realignment among programs. In comparison with 2013–14, Actual Spending in the Internal Services program decreased by 29%.

Human Resources (Full-Time Equivalents)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
1,505	1,149	(356)

Actual Full-Time Equivalents are lower than Planned primarily due to the realignment among programs and the organizational restructuring undertaken by the Government, as well as employee attrition that was higher than anticipated.

Performance Analysis and Lessons Learned

Programs and Service Improvements

Agriculture and Agri-Food Canada improved how programs are delivered to Canadians based on ongoing measurement of client feedback and client-focused program service standards. Over the past year, the Department continued to support the use of standard templates, forms and guidelines to ensure a consistent client experience across its programs, balancing the need for accountability for public funds and administrative burden on the client.

During 2014–15, the Department improved the online application forms to make it easier for prospective clients to apply to departmental programs online. This approach reflects a deliberate decision to provide cost-effective online service offerings.

As a result of client feedback, the Department also introduced continuous process improvement utilizing the *Lean* methodology to improve application and claims processing. Application assessment and claims processing functions were revised to eliminate duplication and non-essential activities, resulting in measurable efficiencies, improving the time it takes to assess an application by 14% since the previous year and having 25% more claims processed in five fewer hours. While this work is on-going, it has already improved the Department's ability to meet its Service Standard targets to clients. The Department also expanded its client feedback measurement tools and is using the feedback to improve program design and service.

The Department has also strengthened its culture of service excellence by internally promoting its new Service Pledge and by providing Service Excellence training to staff.

Human Resources Management – Support to, and engagement of, Agriculture and Agri-Food Canada's workforce

Under the new *Directive on Performance Management*[xlix], the Department had more than 92% of its employees establish performance agreements for 2014–15 and 88.5% initiate learning plans. It was one of only six organizations with more than 2000 employees cited by Treasury Board of Canada Secretariat to achieve a completion rate greater than 80%. Preparations for the year-end review process were well advanced by fiscal year-end with Review Panel training completed and oversight and compliance reporting regularly reviewed by senior management.

The Department continued to make progress against the five-year plan put in place to address anomalies related to work descriptions, organizational structures and language profiles. By the

end of 2014–15, the Department addressed over 50% of classification compression issues identified in March 2013, abolished 2,324 vacant positions, and implemented generic work descriptions across some of the enabling functions. Over 300 language-profile reviews were also completed, principally in one of its branches dealing with external clients.

Led by senior management champions, Agriculture and Agri-Food Canada has committed to three outcome areas to achieve the Blueprint 2020 vision in the Department. In 2014–15, it created integrated and effective working groups from multiple branches and regions to advance these areas and implement the recommendations included in its February 2014 Blueprint 2020 report.

Investment Plan Implementation

In line with its *Investment Plan 2013–14 to 2017–18*, approved by the Treasury Board of Canada Secretariat, Agriculture and Agri-Food Canada continued to support new targeted initiatives linked to Strategic Outcomes of the Department and government priorities.

More efficient use of space was achieved in Winnipeg and Ottawa by co-locating staff. Efficiencies were also achieved in Regina, allowing space to be released to Public Works and Government Services Canada. Workplace 2.0 was implemented in Halifax and a large pilot project at the Department's headquarters in Ottawa. (Workplace 2.0 embraces workplace renewal in the public service. It offers multiple opportunities; foremost, the ability to serve citizens better; to engage and motivate employees; and to operate in an environmentally and fiscally sustainable manner).

Information Management and Information Technology

To support the Government of Canada Email Transformation Initiative[i], the Department has complied with the requirement to reduce and maintain all e-mail boxes under two gigabytes of information. The migration timelines will be coordinated according to Shared Service Canada's plan. The proper disposal of information held by the government has been one of the contributing factors in the Department achieving an *acceptable* rating from the Treasury Board of Canada Secretariat in Recordkeeping practices reviewed under the Management Accountability Framework assessment. A process has been developed for information lifecycle management, which includes the proper identification and storage of information with appropriate disposition methods.

Greening Government Operations

Agriculture and Agri-Food Canada is a participant in the 2013–2016 Federal Sustainable Development Strategy and contributes to the Theme IV (Greening Government Operations) targets through the Internal Services program. Details on the Department's activities can be found in the Departmental Sustainable Development Strategy[ii].

Section III: Supplementary Information

Financial Statements Highlights

The financial highlights presented within this *Departmental Performance Report* are intended to serve as a general overview of the Department's financial position and operations. More detailed information is provided in the Department's consolidated financial statements which are prepared using an accrual basis of accounting.

Condensed Consolidated Statement of Operations (unaudited)
For the Year Ended March 31, 2015
(dollars)

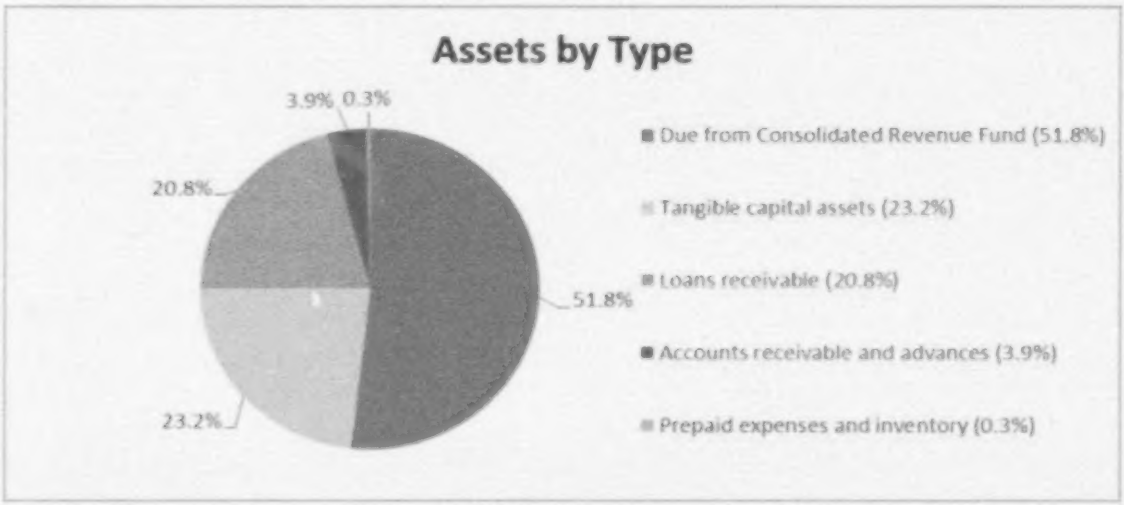
Financial Information	2014–15 Planned Results	2014–15 Actual	2013–14 Actual	Difference (2014–15 actual minus 2014–15 planned)	Difference (2014–15 actual minus 2013–14 actual)
Total expenses	2,359,481,000	2,114,999,000	2,472,847,000	(244,482,000)	(357,848,000)
Total revenues	59,248,000	68,980,000	64,033,000	9,732,000	4,947,000
Net cost of operations before government funding and transfers	2,300,233,000	2,046,019,000	2,408,814,000	(254,214,000)	(362,795,000)

Condensed Consolidated Statement of Financial Position (unaudited)
As at March 31, 2015
(dollars)

Financial Information	2014–15	2013–14	Difference (2014–15 minus 2013–14)
Total net liabilities	937,701,000	1,063,996,000	(126,295,000)
Total net financial assets	869,112,000	969,166,000	(100,054,000)
Departmental net debt	68,589,000	94,830,000	(26,241,000)
Total non-financial assets	373,626,000	378,151,000	(4,525,000)
Departmental net financial position	305,037,000	283,321,000	21,716,000

Assets

At the end of 2014–15, the Department held total gross financial assets of $1,213.3 million, consisting primarily of the asset due from Consolidated Revenue Fund which represents the net amount of cash that the Department is entitled to draw from the Consolidated Revenue Fund without further authorities to discharge its liabilities. Excluding financial assets held on behalf of government, total net financial assets at the end of 2014–15 were $869.1 million, a decrease of $100.1 million from the previous year's net financial assets of $969.2 million. The change in total net financial assets is mainly due to a decrease in the amounts due from the Consolidated Revenue Fund primarily as a result of a decrease in accounts payable. The Department also held non-financial assets totalling $373.6 million.

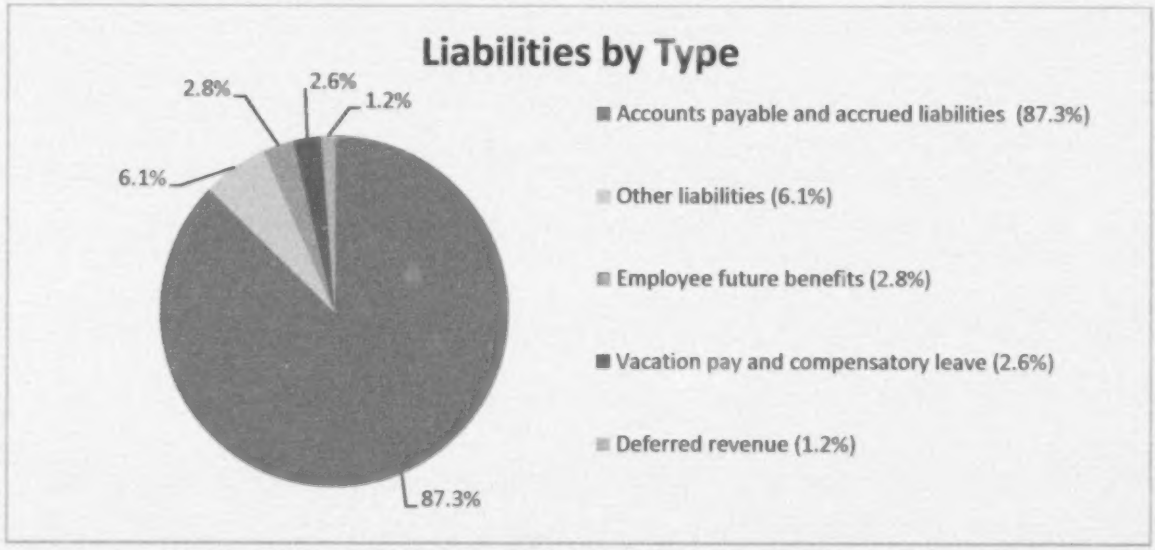


Note: Assets held on behalf of government are included in this chart.

Liabilities

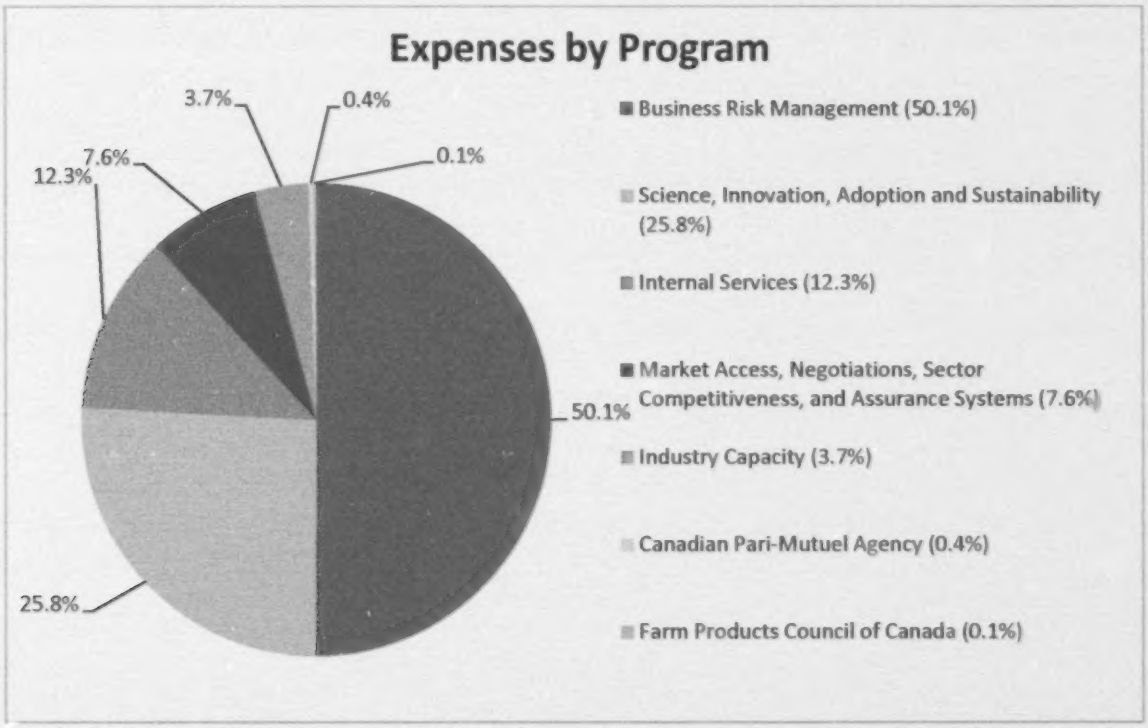
Liabilities arising from departmental activities consisted primarily of accounts payable and accrued liabilities, the majority of which was related to accruals in support of programs such as AgriStability[xiv] that was delivered in 2014–15. The Department does not hold any liabilities on behalf of government.

Total liabilities at the end of 2014–15 were $937.7 million, a decrease of $126.3 million from the previous year's total liabilities of $1,064.0 million. This was mainly due to a decrease of $91.1 million in accounts payable and accrued liabilities, $23.2 million in other liabilities and $9.0 million in employee future benefits.



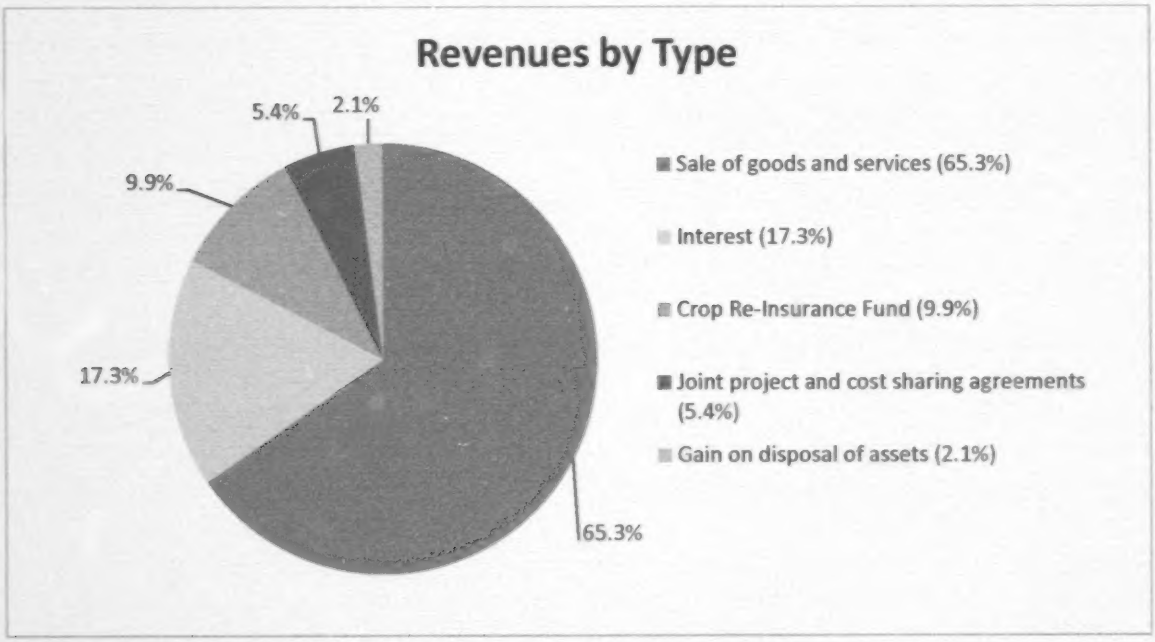
Expenses and Revenues

Expenses incurred and revenues earned, in support of Agriculture and Agri-Food Canada's programs and services that benefited Canadians during 2014–15, are detailed in the following charts.



Total expenses were $2,115.0 million in 2014–15, a decrease of $357.8 million from the previous year's total expenses of $2,472.8 million. This was primarily due to a decrease of $251.6 million in the Business Risk Management program stemming from a reduced requirement for statutory grants and contributions as a result of good industry conditions, low lending rates, and a decline in insurable prices for most of the major commodities insured; as well as the sunsetting of the AgriFlexibility program in 2013–14, and savings realized from the organizational restructuring undertaken by the government.

Planned expenses for 2014–15 were $2,359.5 million compared to actual expenses of $2,115.0 million. Actual expenses were $244.5 million less than planned mainly due to lower requirements for Business Risk Management statutory grants and contributions as well as the timing of payments for multi-year projects under *Growing Forward 2*[xi].



Note: Revenues earned on behalf of government are included in this chart.

Total revenues earned of $117.8 million in 2014–15 were primarily composed of $77.0 million in sale of goods and services. Total revenue is presented net of revenues earned on behalf of government in the departmental consolidated financial statements. Total net revenues were $68.9 million in 2014–15 compared to $64.0 million in 2013–14, an increase of $4.9 million related to sale of goods and services.

Financial Statements

The Department's consolidated financial statements can be found on Agriculture and Agri-Food Canada's website[lii].

Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Departmental Performance Report*[iii] are available on the Department's website.

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs of $5 Million or More;
- Horizontal Initiatives;
- Internal Audits and Evaluations;
- Response to Parliamentary Committees and External Audits;
- Status Report on Transformational and Major Crown Projects;
- Status Report on Projects Operating With Specific Treasury Board Approval;
- Up-Front Multi-Year Funding; and
- User Fees, Regulatory Charges and External Fees.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[iv] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

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Website: www.agr.gc.ca

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities and Departmental Performance Reports, planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Reports on Plans and Priorities and Departmental Performance Reports.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*)**:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target *(cible)*: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

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[vi] *Fair Rail for Grain Farmers Act*, http://lois-laws.justice.gc.ca/eng/AnnualStatutes/2014_8/page-1.html

[vii] Crop Logistics Working Group, http://www.agr.gc.ca/eng/industry-markets-and-trade/statistics-and-market-information/by-product-sector/crops/initiatives-supporting-producers/crop-logistics-working-group/?id=1323987063552

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[xv] AgriInvest, http://www.agr.gc.ca/eng/?id=1291828779399

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[xviii] Advance Payments Program, http://www.agr.gc.ca/eng/?id=1290176119212

[xix] *Farm Debt Mediation Act*, http://laws-lois.justice.gc.ca/eng/acts/F-2.27/page-1.html

[xx] Whole-of-Government Framework, http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx

[xxi] *Public Accounts of Canada 2015*, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[xxii] Public Works and Government Services Canada, http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html

[xxiii] AgriRecovery Framework, http://www.agr.gc.ca/eng/?id=1387480598562

[xxiv] *Canadian Agricultural Loans Act* program, http://www.agr.gc.ca/eng/?id=1288035482429

[xxv] 2014 Canada-Manitoba Forage Shortfall and Transportation Assistance Initiative, http://news.gc.ca/web/article-en.do?nid=903569

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[xxxvi] Science Publications and Resources webpage, http://www.agr.gc.ca/eng/science-and-innovation/science-publications-and-resources/?id=1196363731573

[xxxvii] Plant Gene Resources of Canada, http://pgrc3.agr.gc.ca/index_e.html

[xxxviii] Agricultural Greenhouse Gases program, http://www.agr.gc.ca/eng/?id=1331047113009

[xxxix] Evaluation of the Agricultural Greenhouse Gases program, http://www.agr.gc.ca/eng/about-us/offices-and-locations/office-of-audit-and-evaluation/audit-and-evaluation-reports/agriculture-and-agri-food-canada-evaluation-reports/evaluation-of-the-agricultural-greenhouse-gases-program/?id=1424977033211

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[xlii] Career Focus program, http://www.agr.gc.ca/eng/?id=1280434970527

[xliii] Evaluation of the Fostering Business Development program, http://www.agr.gc.ca/eng/about-us/offices-and-locations/office-of-audit-and-evaluation/audit-and-evaluation-reports/agriculture-and-agri-food-canada-evaluation-reports/evaluation-of-the-fostering-business-development-program/?id=1433442330315

[xliv] Community Pastures program, http://www.agr.gc.ca/eng/?id=1298388156452

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[l]Email Transformation Initiative, http://ssc-spc.gc.ca/pages/mlobj-crrlobj-eng.html

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[lii]Agriculture and Agri-Food Canada's website, www.agr.gc.ca/FinancialStatements

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